

All the Directors were present with the exception of Director Hawk, 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; Bill Flickinger with Willatt & Flickinger; Rich Caldwell with Eco Systems; and District residents Henry Schuessler of 3003 Cat Claw Cove, Luis and Beverly Zervigon of 2609 Beechnut Trace, Lila Lyckman of 2101 Windy Oaks Cove, Paul Rabago of 2801 Cortez, and Chris Rocco of 1803 Lobelia.

Director Nasky called the meeting to order at 6:08 p.m. and stated that the Board would first consider Agenda Item 1: Minutes from the September 16 and September 21, 2005 meetings. The minutes of the September 21, 2005 meeting were not complete and, therefore, not included in the packet. On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to approve the minutes from the September 16, 2005 meeting. Mr. Zervigon said Mr. Schuessler is concerned that some of his comments will not be included in the September 21, 2005 minutes. Director Nasky said he will send Mr. Schuessler a copy of the minutes and Mr. Schuessler can send his comments back to him.

Director Nasky then called for Agenda Item 21: Report from District's landscape contractor and related action. Mr. Caldwell said everything is looking great and he has no problems to report. Pre-emergent will be applied next week. It is done twice a year and post-emergent is done twice a year. Blue Stem just blows in and is hard to control unless it is treated about six times a year, which would kill the turf in non-irrigated areas. Mr. Zervigon complained that the same problems that encumber landscapers encumber residents as well, but residents get letters and the MUD does not, and that the only way to keep weeds under control this time of year would be to mow weekly. Director Nasky said homeowners can do a better job than the District does and the Board is looking to the ACC's within the District to set standards and until then the Board is doing best it can do. Mr. Schuessler has not received a letter on weeds since June.

The Parks committee has not met yet.

Director Nasky then called for Agenda Item 2: Report from the District's engineer. Mr. Bayes was not in attendance.

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*

Directives were reviewed as follows:

BOARD MEMBERS:

Director Henry has completed her directive regarding 2605 Beechnut.

The cover letter was sent to Peña-Swayze as directed.

Director Davies is working with Director Nasky on the ERP.

The transferred surplus bond proceeds were put into a separate fund.

STES is changing the A/C filters in the building as necessary.

Eco Systems has dealt with the cedar against the wall.

It is time for the Finance Committee to work in Quick Books to get ready for the auditors.

Director Nasky will draft a letter to the commissioner regarding speeding on Old Mill Road and the possibility of conducting a traffic study.

Discussions with the city regarding the fire protection contract was reassigned to the Fire Protection committee.

The directive regarding residents not subject to deed restrictions was removed.

Mr. Fry and Director Hardin will work together to generate a business plan for rental of a camera.

The directive to set up a meeting with the Sheriff's Department about spending was removed.

Viking Fence is going to give Director Nasky a quote for moving the backstop.

Mr. Misenheimer distributed a handout showing what TCEQ requires districts to retain. Mr. Flickinger said he has given Director Davies a list published by the Texas State Library & Archives Commission, which has the final authority on records retention.

SUBCOMMITTEES:

Mr. Fry reported that he and Tom Kam, a structural engineer, met with the committee and Mr.

Chadwell to examine the problems with the wall behind Mr. Chadwell's house. Mr. Kam will provide a written report tomorrow together with a recommendation on how the repair should be made. The recommendation will be given to Libby so she can provide a proposal based on those instructions. In Mr. Kam's opinion, the wall should have been constructed with expansion joints every 20' instead of every 30'. He thinks this might cause continual problems in the Phase 1 wall. Mr. Kam has already spent 6 hours on the project. Mr. Fry does not know what his billing rate is. He came highly recommended by two other engineers in the water/wastewater industry. On a motion by Director Davies, seconded by Director Hardin, the Board voted unanimously to authorize the subcommittee to address the wall issue on El Salido and to authorize engineering and repair based on Mr. Kam's fee schedule.

Any directives related to parks, including signage review, will be postponed pending a meeting of the Park Committee.

Mr. Misenheimer said the STES corporate office has added some new procedures which he has broken up into four manuals – Administrative, Accounting, General Operations, and Lift Stations. There is also a new manual for STREAMS for use by STES customer service and billing personnel. He then distributed copies of job descriptions which had been requested by Director Henry. Director Hardin volunteered to review the Accounting manual. Director Henry will review the Administrative manual for deed restriction information and Director Nasky will review the General Operations manual. Mr. Misenheimer said he would like feedback by the next meeting, if possible.

Mr. Fry requested to meet with the Management committee at its convenience.

The directive regarding a water audit is unchanged.

ATTORNEY:

Mr. Flickinger has not received any crime watch information yet.

He talked with STES regarding delinquent tax collection.

The cover letter to Peña-Swayze was reviewed prior to mailing.

The audit should be kept on the agenda for one more month. Director Hardin said Peña-Swayze submitted a letter of resignation.

Condemnation by the City of Cedar Park should be left on the agenda.

Residential drainage problems on Old Mill Road should be left on the agenda.

Work is continuing on records retention and condemnation proceedings.

ENGINEER:

Ms. Stathos explained that Mr. Bayes was not in attendance due to illness in his family.

GENERAL MANAGER:

The Hatch Road gate has been repaired.

Ms. Nolte reviewed Mr. Schuessler's file and reported back to the DR committee.

Copies of the requested job descriptions were distributed.

An updated report was received this week showing delinquent taxpayers. The delinquent taxes need to be added to four water bills and letters need to be sent to three residents. Mr. Fry and Mr. Flickinger will review before each meeting, if necessary. Mr. Flickinger said he thinks they should be brought back to the Board if any of them reach the point where water is scheduled to be turned off due to the delinquent taxes.

The \$17,000 credit on commercial sewer was not reflected. Ms. Shanks and Ms. Nolte will make sure this is corrected by the next meeting.

One account was sent to collections.

Sand was added to the sandbox in the park.

Waste Management was instructed to have a representative present at the next meeting. A letter will be sent to them regarding cleaning the streets. The District Manager called to discuss fining.

Removal of the graffiti on the Little Elm Wall will be moved to a top priority.

J&J Pest Control has been contacted about ants in the building and will treat on the next scheduled service call.

A meeting with Deborah Hunt and Chad Swedberg is still pending.

Ms. Shanks distributed a report on outstanding receivables. The deposit will be refunded to Children's Courtyard. Phone calls will be made to Workman's Corp and ANDCO Construction regarding their receivables. The phone calls will be followed up with another letter. If there is no response, they will be turned over for collection.

An estimate will be obtained for TV'ing lines on Aster Pass

STES has not heard back from the roofer regarding repairs.

A follow-up call will be placed to Ms. Hays regarding the fence behind her neighbor's home.

Mr. Fry will meet with the Management committee at their earliest convenience.

The delinquency tax report was not updated in time to include in the packet, so it was distributed at the meeting.

Letters for the Anderson Mill West posting board are on order.

Mr. Fry reported that the #1 pump at Sunchase Lift Station was tripping out and had to be rebuilt. This was the first time it had to be pulled in eight years and he considered it an emergency repair. The cost was \$914.39, but it has not been invoiced yet.

The resident at 2809 Cortez paid \$903 yesterday, which included \$470 was in fines. However, he did not move his boat. A neighbor has reported that the truck in front of the house is not properly tagged. Another neighbor is taking pictures and will send them to STES.

On a motion by Director Hardin, seconded by Director Davies, the Board voted unanimously to take the following action regarding finalized accounts:

Write off # 982-1703-02 in the amount of \$2.94

Send the following accounts to collections:

982-1238-01 in the amount of \$317.24

982-0287-13 in the amount of \$27.30

982-0732-03 in the amount of \$79.77

982-1947-01 in the amount of \$149.80

Ms. Shanks distributed revised copies of the financials and cash report. A transfer needs to be signed to close the Park account at Compass Bank which has a \$43.16 balance.

Ms. Shanks requested that the Board sign a Power of Attorney allowing her to talk with the IRS about District deposits.

Taxes are 99.14% collected for the year.

Checks #6639 – #6679 totaling \$166,806.38 were presented for payment. On a motion by Director Henry, seconded by Director Nasky, the Board voted unanimously to approve payment of all bills and invoices.

Director Nasky then called for Agenda Item 4: *Audit by Peña-Swayze*. A Letter of resignation was received from Pena-Swayze. This item should be removed from the agenda.

Director Nasky then called for Agenda Item 5: *Repairs to District's CMU fence*. This was discussed under a previous agenda item and should remain on the agenda.

Director Nasky then called for Agenda Item 6: *Condemnation filed by City of Cedar Park*. A special Commissioners hearing is scheduled for November 29. This item should be left on the agenda.

Director Nasky then called for Agenda Item 7: *Engagement of Auditor for District*. Two proposals were submitted and engagement letters were presented to the Board for review. On a motion by Director Davies, seconded by Director Hardin, the Board unanimously agreed to hire Maxwell, Locke & Ritter as District auditors and to sign the engagement letter.

Director Nasky then called for Agenda Item 8: *Emergency response plan*. Director Nasky said this item should remain on the agenda.

Director Nasky then called for Agenda Item 9: *Residential drainage problems on lots on Old Mill Road*. This item should remain on the agenda. Mr. Fry will check on the progress and report back to the Board next month.

Director Nasky then called for Agenda Item 10: *Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road*. Director Davies will periodically change the codes on the cards used by residents who rent the building.

Director Nasky then called for Agenda Item 11: *District website*. Director Hardin's photo needs to be updated.

Director Nasky then called for Agenda Item 12: *Cedar Park Fire Protection*. The Fire Chief has prepared a draft agreement. Director Hardin will let Mr. Flickinger know when he will be available to meet.

Director Nasky then called for Agenda Item 13: *Signs and markers within the District*. The Park

committee will review signage.

Director Nasky then called for Agenda Item 14: *Amend District Rate Order*. This item should be taken off the agenda.

Director Nasky then called for Agenda Item 15: *Receive citizens' communications*. Mr. Schuessler said he will send an e-mail to Director Nasky regarding two letters he wants removed from his file. Mr. Flickinger said if the letters were in error, notes to that effect should be put in the file, but the records should not be expunged. Severn Trent does not take photos of each violation, but only when violations reach the fining phase. Mr. Schuessler said he feels he is being singled out and being looked at more than anyone else in the District. He wants records to be noted that weeds in parks are not being addressed and that there is a trailer in Anderson Mill West Park being used by the MUD. Director Henry pointed out that the sign trailer has been removed. Mr. Schuessler openly invited anyone to come look at his home.

Director Nasky then called for Agenda Item 16: *Report from the DRC and act on restrictive covenant enforcement*. Issues from the October 12 Deed Restriction committee meeting were reviewed. The homeowner at 2809 Cortez still has his boat in the driveway and multiple cars are being parked on the street at night. The Board is considering changing the policy for boats from a minor to a major classification. It is also possible to file a lawsuit for deed restriction violations. Director Hardin moved to file a suit against the homeowner at 2809 Cortez to remove the boat and vehicles parked in the street overnight. Director Davies seconded the motion, which passed unanimously. Ms. Nolte will send Mr. Flickinger copies of all correspondence regarding the boat issue. Board members agreed that enforcement of restrictions against boats and vehicles in connection with authorized lawsuits is necessary to sustain taxable values in the District.

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

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. Mr. Rocco called the Board's attention to the proposal in the packet to release a portion of the Anderson Mill West Neighborhood Association's beautification funds in order for the HOA to obtain legal advice. He then distributed a copy of the HOA budget. There are currently 34 dues-paying members of the association. The ACC is not a legal entity in that HOA. Ms. Lyckman said a former board member told her the beautification fund is actually general fund of the MUD and was not obtained through recycling. Director Hardin assured her that recycling was an integral part of the agreement with the trash hauler and was established to induce residents to recycle by putting proceeds from recycling into a beautification fund. Mr. Flickinger said if the Board authorizes disbursement from the beautification fund to this association, it would also need to consider authorizing a disbursement to other HOA's if requested. It is reasonable to ask what the money would be used for and the request could be denied if it is not earmarked beautification or deed restrictions. Mr. Rocco said the AMWNA would send financial statements showing how the money was used. He also said they are in the process of retyping the deed restrictions to where they are easier to read and they will be posted on the association's website.

Director Hardin moved that the Board find that enforcement of deed restrictions within the Anderson Mill West neighborhood is necessary to sustain taxable property values in the District, that the Board find that a distribution from the Anderson Mill West Neighborhood Association's share of the District's Beautification Fund in the amount of \$2,500 to the Anderson Mill West Neighborhood Association will facilitate enforcement of deed restrictions in the Anderson Mill West neighborhood, and that the Board authorize the disbursement of \$2,500 to the Anderson Mill West Neighborhood Association from the District's Beautification Fund, provided a written accounting of how the funds are spent is sent by the Anderson Mill West Neighborhood Association to the District's General Manager within 30 days of each expenditure. Director Nasky seconded the motion, which passed unanimously.

There are no other pending proposals at this time. The only revenue stream not generated by taxing is fining. It was suggested that perhaps some of money received through fines could be put into the beautification fund, but Mr. Flickinger said any disbursement would have to be in relation to DR enforcement. Director Nasky said he would like to make fining money available to HOA's. The Board might consider the possibility of transferring funds into beautification on an annual or semi-annual basis. Director Davies suggested possibly raising the administrative fee to \$75 and putting \$25 of it into the beautification fund. The purpose is to keep the neighborhood looking good, and educate those who are not doing their part.

Agenda item 18 should be removed from the agenda and the scope of agenda item 19 should be expanded.

Director Nasky then called for Agenda Item 20: Rules for enforcement of restrictive covenants that include fines and termination of services. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 22: *Report from the Park Subcommittee regarding park improvements*. Mr. Fry will try to schedule a meeting within the next two weeks.

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

Director Nasky then called for Agenda Item 24: *Adjournment*. The meeting was adjourned at 9:37 p.m.

Steve Davies, Secretary

Board of Directors

Date: _____