

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

November 16, 2005

THE STATE OF TEXAS

§

§

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 November 16, 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

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; Bill Flickinger with Willatt & Flickinger; Jimmy Nees, Chris Kjar, and Jimmy Esparza with Waste Management; Rich Caldwell with Eco Systems; and District residents Henry Schuessler of 3003 Cat Claw Cove, George Csahanin of 2712 Aster Pass, Luis Zervigon of 2609 Beechnut Trace, and Paul Rabago of 2801 Cortez.

Director Nasky called the meeting to order at 6:07 p.m. and stated that the Board would first consider Agenda Item 1: *Minutes from the September 21, and October 19, 2005 meetings*.

Director Hardin pointed out that the minutes for September 21st state that any action on Mr. Schuessler's complaint should be taken under Agenda Item 16, but Item 16 does not reflect the action taken. Item 16 should be amended to indicate that Director Hardin moved, Director Davies seconded, and the Board voted unanimously to put a note in Mr. Schuessler's file saying the last two letters sent to him should be disregarded. On a motion by Director Hardin, seconded by Director Davies, the Board voted unanimously to approve the September 21st minutes as corrected and the October 19th minutes as written.

Director Nasky then called for Agenda Item 2: *Report from the District's engineer*. Mr. Bayes reported that there are no current ongoing construction projects. He has been keeping in touch with Mr. Fry regarding drainage on Old Mill Road and repair of the wall on El Salido. He said the only thing he has from George Pulliam, the engineer who did the wall design, is his field reports from when he did inspections. He did not provide GJA with any design calculations. He does have Mr. Pulliam's sign-off that the wall met his design parameters.

Director Henry entered the meeting at this time.

Director Hardin asked Mr. Bayes for his reaction to Mr. Kam's inspection. Mr. Bayes said he is not overly concerned. There is quite a bit of wall on the ground and the few problems we have had have been related to the way the wall was cut-in and the lack of sufficient expansion joints and vertical rods. Due to those problems, Mr. Pulliam required more expansion joints in Phase 2

of the wall. Mr. Kam did not feel like he could warranty repair with the present design. Mr. Fry distributed a copy of the proposal from CD Lone Star to repair the wall. This is the only proposal he has received. He has called numerous contractors who would not make a proposal. CD Lone Star's proposal includes 60' of wall for a cost of \$10,320. The contractor felt additional cracking, although not significant, warranted repairing 60'. The bid from Libby, at Great Walls, was to repair 5' on each side of the crack at a cost of \$2,700. Mr. Kam's recommendation included adding horizontal rebar. In his verbal report to Mr. Fry, Mr. Kam indicated he would not have designed the wall the way Mr. Pulliam did and he has a real concern that the wall is still standing. Mr. Flickinger said any action on wall repair would need to be taken under Agenda Item 5.

Director Nasky then called for Agenda Item 8: *Residential drainage problems on lots on Old Mill Road*. Mr. Fry showed directors the pictures he took of the three lots in question on Old Mill Road – 1008, 1010, and 1100. Drainage appears to have been restored at 1010, but apparently no work has been done at 1008 or 1100. Mr. Fry said the situation was being handled as deed restriction violations because ACC approval was not obtained to alter the drainage. Mr. Flickinger recommended sending the first deed restriction letter at this time. On a motion by Director Hardin, seconded by Director Nasky, the Board voted unanimously to send the first deed restriction letter to the residents at 1008 and 1100 Old Mill Road.

Director Nasky then called for Agenda Item 19: *Report from District's landscape contractor and related action*. Director Henry reported that tree limbs are being thrown over the fence into the Hatch Road detention pond. She said it might be time to consider sending a letter to the homes backing up to the detention pond. STES and Eco will monitor the problem.

Mr. Fry has not met with Eco yet regarding the redesign of Sunchase Park. Director Nasky said the committee is looking at a phase design starting with clearing of the back area.

Director Nasky then called for Agenda Item 3J: *Solid waste collection and disposal service*. Mr. Kjar confirmed that he received a letter giving Waste Management 30 days to clean up streets that have been stained due to trash truck leakage. He drove the District and found one area on Butternut, two on Spiderlily, five on Honeyweed, one on Old Mill Road, and one on Dayflower Trace which he feels can be attributed to "trash juice" or hydraulic stains. Waste Management will try to clean the streets by the first of December, doing their best to remove the stains. He also stated there are a lot of oil stains which appear to be from parked automobiles, not trash

trucks. Hydraulic stains like that on Old Mill Road are extremely hard to remove. Mr. Kjar said they attempted to remove one on Mackenzie but never could get it completely removed so they painted over it with black paint. "Juice" gets out of the trucks mainly from the seal between the body and the packer. Drivers check vehicles before running routes and seals are replaced as needed. Small hydraulic leaks won't register for a while, and large ones automatically shut down the lift. Drivers keep an emergency spill kit in their trucks to keep spills out of drains, etc. They spread Absorb-All on stains to treat them quickly. Director Davies said he thinks it is a good plan, but prefers to address prevention and see what steps can be taken to improve from the past. All residential trucks were pulled in, inspected, and repaired, if needed, after the last Board meeting. Two trash trucks and one recycle truck come through the District and 95% of the time it is the same trucks.

January 5, 2006 is the scheduled recycling meeting at the District office. STES will make sure to put a reminder of the meeting on bills going out in November and December.

Director Nasky then called for Agenda Item 14: *Receive citizens' communications*. Mr. Schuessler stated he never received an e-mail from Director Nasky sending him the September minutes. Director Nasky replied that he had sent them. Ms. Stathos will e-mail Director Nasky a PDF file of both the September and October minutes and he will forward them on to Mr. Schuessler. Ms. Stathos verified that Mr. Schuessler's address is texashunter@hotmail.com. Mr. Schuessler will call if he has not received them by Friday, November 18.

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 Hardin reviewed the accounting manual.
- Director Henry reviewed the administrative manual and would like for it to include more detail of the procedures related to deed restrictions.
- Director Hardin reviewed the general operations manual.
- Director Nasky sent the September minutes to Mr. Schuessler, but he did not receive them. Director Nasky will send them again, as well as the October minutes.
- Director Davies will change codes on “rental cards” periodically – directive should be removed.

- The directive for Director Hardin to provide an updated photo for the website should be removed.
- Director Hardin has met with the City of Cedar Park fire chief.
- Director Nasky hasn't called Commissioner Boatright yet.
- It was decided there was not a need to purchase a camera at this time but the issue will be monitored and revisited if needed. STES will proceed with checking Aster Pass and should come back with a proposal for checking other lines.
- Director Nasky is still working on getting a price on moving the backstops.
- The directive regarding records management is ongoing.
- The directive regarding Director Davies going on another drive with Ms. Nolte should remain.
- Director Davies still has not received any information from Ms. Lyon regarding crime watch
- There is an item on tonight's agenda regarding the ERP.

SUBCOMMITTEES:

- All directives for the Parks Subcommittee have been taken care of and should be removed.
- Phase 1 of working in QuickBooks to be ready for the auditors is complete, but the directive needs to remain on the list.
- The Fire Protection Subcommittee met with the fire chief but the issue has not been resolved. There is an agenda item on this directive.
- The Infrastructure Subcommittee has addressed the wall issue on El Salido and this directive can be removed.
- The Williamson County Subcommittee still plans to attend a commissioners' meeting

- Meetings between the Management Subcommittee and Mr. Fry are in process.
- The water audit will be discussed after contract discussions are complete.

ATTORNEY:

- Audit by Peña-Swayze has been removed from the agenda.
- Rate Order has been removed from the agenda.
- Mr. Flickinger will discuss the lawsuit under another agenda item.
- One agenda item regarding AMWNA has been removed from the agenda and the scope of the other one has been expanded.
- Directives regarding records management, condemnation proceedings, crime watch, and drainage problems at homes on Old Mill Road should remain on the list.

ENGINEER:

- Directives for GJA should remain the same as in October.

GENERAL MANAGER:

- The graffiti was removed from the Little Elm wall. Director Davies said he does not recall discussing this at a Board meeting, but Director Henry said it has been a homeowner complaint since July.
- One account was written off and four were sent to collections.
- STES received direction earlier in the meeting regarding drainage problems on Old Mill Road.
- A note was put in Mr. Schussler's file that the last two letters were in error.

- Mr. Flickinger was sent copies of all correspondence regarding the boat issue at 2809 Cortez.
- The \$2,500 disbursement to AMWNA is ready for signature tonight.
- The meeting was held with the Parks Subcommittee.
- There is a memo in the packet regarding tax collection by Williamson and Travis counties. Director Nasky questioned the efficiency of changing now and if it would impact activity. Mr. Fry said only minimum impact would be notices. If the Board wants to split collections, a contract needs furnished by the collecting entities. Mr. Fry will obtain a copy for the Board's review. This directive should remain on the list.
- Research is still pending on the aging report and developer receivables.
- There is an estimate in the packet for TV'ing the Aster Pass line.
- STES is still waiting on a response from the contractor regarding items needing repair in the building.
- Ms. Nolte spoke with Ms. Hayes about fence behind her neighbor's house. This is no longer an issue.
- Contract discussions are in process. The contract will be split between operations and deed restriction violations.
- Letters have been removed from the posting board in Anderson Mill West Park and different signage will be implemented to match that used in the posting board at The Park at Lakeline Oaks.
- Information in this month's packet has been revised to reflect adjustment of the previous error on commercial sewer.
- Waste Management has been notified they have 30 days to clean up streets. A separate account has been set up to track Waste Management fines. Director Hardin stated he felt Mr. Nees showed a lack of courtesy by whispering during the meeting. Mr. Fry will contact Mr. Nees regarding this matter.
- Mr. Fry requested that the committees set up for GASB-34 Implementation, Land, and Lakeline Oaks Annexation be deleted from the list. Directors agreed these committees were

no longer needed and should be deleted.

Water accountability and water and wastewater reports were discussed. Director Hardin asked if STES randomly tests any meters on a regular basis. Mr. Fry indicated only those meters showing abnormal usage, vacant with usage, or zero consumption meters are tested. The cost to replace a meter is low enough that recalibration is not an issue. If a problem exists, STES will replace the meter. Meter replacement is recommended when total consumption is over one million gallons.

Mr. Fry recommended five accounts be turned over for collection. Director Henry expressed concern about 1301 Texas Oak Way because part of the balance dates back to 2004. Mr. Fry will obtain more information regarding the reconnection fees on that account. On a motion by Director Davies, seconded by Director Henry, the Board voted unanimously to approve the following accounts for collections: 982-0089-02, 982-0502-04, 982-1238-01, 982-1285-01, and 982-0773-02, totaling \$971.99.

Mr. Fry said no current issues exist which would require TV'ing any of the District lines, but there is a need to periodically clean and televise lines in order to prevent future issues. Director Davies asked who previously made a motion to TV the Aster Pass line and Director Nasky said he had concerns about the line. According to Mr. Fry, no complaints have been received regarding sewer for several months. Pressure complaints are the only concerns that have been received lately. There have been no valve closures to impede the water system. Mr. Fry said the expected lifetime for the lines is at least 50 years. No action will be taken at this time.

The Parks Committee has reviewed each item on the list and recommendations will be discussed under Agenda Item 20.

The Board discussed correspondence recently received from EPA dated June 16, 2005, and indicating a possible penalty for not yet filling certification of an Emergency Response Plan. Director Hardin expressed concern about information not being received on a timely basis. Mr. Fry said some mail has been misdirected to Armbrust Brown, apparently due to the existence of an out-of-date District Information Form. Mr. Flickinger will contact John Carlton to clarify

updated information.

Ms. Shanks distributed an updated check register and detail list. She reported that \$20,000 was transferred to the operating account to cover expenses. Interest for October was \$7,264. The P&L's show a larger bank service fee due to quarterly charges. She informed the Board that federal taxes were not previously deducted from per diem checks. W-4 forms were given to Directors Davies and Henry for completion.

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

Director Nasky then called for Agenda Item 4: *Resolution Establishing Offices and Regular Meeting Places of the Board of Directors*. Mr. Flickinger explained that this resolution is a result of the recent address change by STES. Director Hardin moved, seconded by Director Nasky, to approve the resolution. Motion carried unanimously.

Director Nasky then called for Agenda Item 5: *Repairs to District's CMU fence*. Mr. Fry explained that Mr. Kam will not sign off on repair unless the work is done according to his guidelines. CD Lone Star was recommended by the company who makes the CMU blocks. Their proposal contains some exclusions. STES would communicate with homeowners and take care of safety issues such as traffic control. Following a discussion, Director Davies moved to hire CDLS at a price not to exceed \$10,320. Director Nasky seconded the motion, which passed unanimously.

Director Nasky then called for Agenda Item 6: *Condemnation filed by City of Cedar Park*. Mr. Flickinger reported that initially the City was in a big hurry to move forward with condemnation. Yesterday he received incomplete documents from the City Attorney. A hearing has been scheduled for November 29. The deal is still on, just not documented yet.

Director Nasky then called for Agenda Item 7: *Emergency Response Plan*. Director Nasky

explained that the EPA is looking for certification that the District has an emergency response plan. He said the project is one that grows and grows as it is worked on. The City of Cedar Park has dovetailed onto the Williamson County ERP. Director Davies expressed concern because the Board has not seen the city, county, or state plans. Certificate of completion is due by November 30 or fines will be levied. STES has provided the District with a copy of what STES would do in an emergency response situation. Director Davies thinks there are three alternatives: 1) find a way to spend 50-100 hours to complete the plan, 2) hire someone to complete the plan, or 3) ask for an extension. Mr. Flickinger thinks the Board should assume EPA will not grant an extension. Director Hardin suggested calling Linda Hutchison and attempting to get a copy of other ERP's or finding out what to do. Mr. Flickinger said a special Board meeting would be necessary if that doesn't work. The preference would be to have a lunch meeting at Willatt & Flickinger's office on November 28. Director Hardin will let Mr. Flickinger know the results of his phone call. Director Nasky will send an e-mail on November 18th to let the Board know the results of the call.

Director Nasky then called for Agenda Item 9: Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 10: District website. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 11: Cedar Park Fire Protection. Mr. Flickinger met with the City representative. The suggested price is substantial and back-up almost non-existent. Mr. Flickinger requested a fair price which is not more than other districts pay. He also asked for a break because the District has been paying more than others. He and Director Hardin think there is a need to investigate alternatives. The City's price would be based on 85% of the expenditures of Cypress Creek Fire Station, which works out to be \$12.85 per month, per household. District residents are currently paying \$9.43. The City is requesting a 10-year contract in which either party would have to give a one-year notice of cancellation, but cannot do so prior to December 31, 2007. Director Davies moved to approve the contract. Mr. Flickinger suggested he withdraw his motion because the contract before the Board tonight is not complete. Director Davies withdrew his motion. Mr. Flickinger said this item could be included on the Agenda if a special meeting is held on November 28. In the meantime, he will get with the Fire Chief. If all concerns cannot be addressed in time for the special meeting, they will have to be addressed at the December meeting.

Director Nasky then called for Agenda Item 13: *Next Election of Directors*. Mr. Flickinger said he is starting to get questions regarding the next election which will be held in May, 2006. The terms of Directors Hardin, Nasky and Henry will be expiring. The terms of Directors Davies and Hawk will not expire until 2008. In the past, notice of upcoming elections has been put on the water bills. Interested parties must complete an application and all applications should be mailed to Willatt & Flickinger's office. Mr. Flickinger said the Texas Water Code states if a director misses more than half the meetings in a 12-month period, the remaining directors can remove that director. If a vacancy is created, it must be filled within 60 days or TCEQ can appoint someone to the board. Some of the primary qualifications include being at least 18 years of age and a resident or property owner in the District. Attorneys and developers are not eligible to run for the board. Mr. Flickinger asked for direction from the Board. Director Davies suggested putting something on the website which includes the qualifications, the required application, and all deadlines. Information could also be put on the water bills with a link to the website as well as the phone number for Willatt & Flickinger for those without computers. Director Hardin said he talked to Director Hawk this week and asked pointblank what his intentions are. Director Hawk said he still doesn't know, but that more than likely he should get off the Board. Director Nasky will call him also. If Director Hawk resigns, the Board would have 60 days to appoint another member. Mr. Flickinger said if Director Hawk chooses to resign, his intentions should be put in writing, not e-mail, and state that his resignation would "become effective upon acceptance by the Board." If an election is uncontested, the Board can cancel the election.

Director Nasky then called for Agenda Item 12: *Signs and markers within the District*. This will be discussed as a part of the report from the Parks Committee.

Director Nasky then called for Agenda Item 15: *Report from the DRC and act on restrictive covenant enforcement*. The boat at 2809 Cortez is gone now and the home is for sale. The homeowner stated the vehicles parked on the street at night belong to his neighbors. Mr. Flickinger said court costs will be \$253 plus \$490 legal fees as well as an additional \$175 in legal fees and the final fine amount. Director Hardin moved to attempt to collect the entire amount. Director Davies seconded the motion, which passed unanimously. Ms. Nolte will finalize the fines and report to Mr. Flickinger.

Director Nasky then called for Agenda Item 16: *Report from the ACC*. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 17: *Funding for and interaction with homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions*. The \$2,500 check approved at the last meeting was given to AMWNA. Meetings at the District office have to be scheduled in advance through Ms. Nolte. Director Hardin moved to change the rules to state that District HOAs do not have to pay a deposit for their meetings and to refund the deposit on file from Lakeline Oaks HOA. Director Davies seconded the motion, which passed unanimously.

Mr. Flickinger said he was told by Mr. Rocco that AMWNA is in the process of converting all deed restrictions to word documents with the intent of having the electronic copies certified as accurate. They would like to involve the attorney, Severn Trent, and other HOAs within the District in the certification process. Mr. Csahanin suggested the electronic copies be marked as unofficial copies. No action was taken in this regard and this item will remain on the agenda as a general item.

Director Nasky then called for Agenda Item 18: *Rules for enforcement of restrictive covenants that include fines and termination of services*. Mr. Csahanin was asked to formalize a proposal on the acceptable length of grass and he will respond to this request.

Director Nasky then called for Agenda Item 20: *Report from the Park Subcommittee regarding park improvements*. Director Nasky said the Park Committee recommends the following:

- Replacing the space shuttle
- Fixing the pickets in the gazebo as needed
- Asking ECO Systems for recommendations on grass
- Replacing the ADA access mat at Anderson Mill West Park
- Fixing the volleyball court by tilling it up and adding some sand

- Getting a quote to repair the Anderson Mill West basketball court from the company who did installed the Lakeline Oaks basketball court
- Installing signs outside the Lakeline Oaks tennis courts
- Cleaning out inlets, re-grading, and hauling off dirt on both sides of Sunchase (long-range plan will probably include a trickle channel)
- Adding pea gravel to the northeast play area
- Installing a bike rack
- Fixing pickets as needed in Lakeline Oaks
- Removing the dead tree in the Madeline Loop detention pond
- Having STES follow up on all Eco Systems issues;

Regarding signage, the committee recommends:

- Installing signs at all major entrances to the District
- Making sure all lift stations have the same signage
- Obtaining more temporary-type signs for fireworks that do not mention fire arms and leaving them up through the end of the year
- Installing tennis court signage in Lakeline Oaks about obtaining a tennis key
- Installing “no motorized vehicles” signs in Lakeline Oaks and Sunchase
- Installing District identification on the Anderson Mill West posting board similar to that on the Lakeline Oaks posting board.

The Committee does not recommend clearing Sunchase Park all the way to the back until a design is approved for a walking trail.

Director Davies moved to approve all listed recommendations by the Park Committee, with a limit of \$1,700 being set for the drainage work to be done at Sunchase. If it appears the work will cost more than \$1,700, it should be sent back to the Parks Committee for review. Director Nasky seconded the motion, which passed unanimously.

Mr. Fry was asked to investigate the sprinkler head damaged when the wall was constructed on Rainfall Trail.

The next regular meeting will be held on December 21, 2005

Director Nasky then called for Agenda Item 21: *All matters related to the District's parks, fields and office building*. There was no discussion under this agenda item.

Director Nasky then called for Agenda Item 22: *Adjournment*. The meeting was adjourned at 10:41 p.m.

Steve Davies, Secretary

Board of Directors

Date: _____