

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

May 23, 2006

THE STATE OF TEXAS §

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COUNTIES OF WILLIAMSON AND TRAVIS §

A special meeting of the Board of Directors of Williamson-Travis Counties Municipal Utility District No. 1 was held at 12:00 p.m. on May 23, 2006, at the offices of Willatt & Flickinger, 2001 North Lamar, Austin, Texas 78705. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act.

Director Nasky called the roll of the members of the Board:

Brian Nasky	-	President
Steve Davies	-	Vice President
Rhonda Henry	-	Secretary
Brian T. Hardin	-	Treasurer
Chris Rocco	-	Assistant Secretary/Treasurer

All the Directors were present, thus constituting a quorum. Also present at the meeting were Bill Fry and Becky Stathos with Severn Trent Services; Bill Flickinger and Heather Magennis with Willatt & Flickinger; and District residents Luis and Beverly Zervigon of 2609 Beechnut Trace, and Linda Garrett of 2014 Dayflower.

Director Nasky called the meeting to order at 12:05 p.m. and stated that the Board would first consider Agenda Item 1: Order Canvassing Results of May 13, 2006 Directors Election. On a motion by Director

Rocco, seconded by Director Nasky, the Board voted unanimously to accept the certified election results from Travis and Williamson counties.

Director Nasky then called for Agenda Item 2: Certificates of Election, Oaths of Office and Statements of Elected Officials. Director Nasky signed the Certificates of Election and Ms. Magennis swore in the newly elected directors.

Thanks were extended to Directors Nasky and Henry for their service to the District.

Director Davies then called for Agenda Item 3: Election of Officers. Director Garrett nominated Director Rocco for the position of President. Director Zervigon seconded the motion. Following a discussion of possible changes in how Board meetings are run, the Board unanimously approved the motion.

Director Zervigon nominated Director Davies for the position of Vice President. Director Hardin seconded the motion, which passed unanimously.

Director Zervigon nominated Director Hardin for the position of Treasurer. Director Davies seconded the motion, which passed unanimously.

Director Hardin nominated Director Zervigon for the position of Secretary, but Director Zervigon turned down the nomination and nominated Director Garrett. Director Hardin seconded the motion, which passed unanimously.

Director Hardin nominated Director Zervigon for the position of Assistant Secretary/Treasurer. Director Davies seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 4: District Depository, Bank Accounts. Mr. Flickinger said the Resolution appeared in the packet for the last meeting and requires three signatures. Since he knew the names would be changing, action was postponed until the new directors were sworn in.

On a motion by Director Davies, seconded by Director Hardin, the Board unanimously approved the Resolution for all accounts other than the Manager's account.

Director Garrett moved, Director Zervigon seconded, and the Board unanimously approved the Resolution for the Manager's account, adding Ms. Hester in place of Ms. Washburn.

Director Rocco then called for Agenda Item 5: Membership in District Affiliated Associates and Upcoming AWBD and CASE Conferences. Following a discussion, Director Zervigon moved to join both AWBD and CASE and to reexamine the benefit of membership each year. Director Hardin seconded the motion. The motion carried, with Director Davies voting "No."

Directors Hardin, Rocco, and Zervigon plan to attend the CASE conference, but none of the directors are planning to attend the AWBD conference at this time.

Director Zervigon moved to reimburse conference attendees for reasonable expenses, not to include room service, and lodging at a rate not to exceed \$130 plus any applicable taxes. Director Hardin seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 6: Open Meeting and Open Records training for Directors. Mr. Flickinger explained information in the packet and discussed the Attorney General's website. Training is also available on DVD. Directors Zervigon and Garrett have 90 days to complete training. Directors Hardin and Davies have until the end of the year. He informed directors that If a quorum is present, they cannot discuss or appear to discuss District business outside of a posted meeting. Director Zervigon said he doesn't want it to appear that he is asking the District's attorney to give legal advice to the AMWNA. Director Davies said since three directors are active in the AMWNA, it would be appropriate to ask Mr. Flickinger's advice. In the past, legal advice had to be preauthorized, but there will be questions from new members. It was suggested Directors Rocco, Zervigon and Garrett get their questions together and send them to Mr. Flickinger. Director Rocco asked that Director Zervigon be the point man for this task. It will be difficult to discuss AMWNA business without talking about MUD business, so Director Garrett said she will ask her husband to attend the AMWNA meetings in her stead.

Director Rocco then called for Agenda Item 7: District e-mail policy. Mr. Flickinger said the existing policy was adopted in 2003. Directors need to be aware they cannot have deliberation through e-mails and e-mails are considered open records

Director Rocco then called for Agenda Item 8: TNRCC (TCEQ) Handbook for Directors. Mr. Flickinger said the last handbooks were put together in 1996 and have been some changes, but the basic information is still good.

Director Rocco then called for Agenda Item 9: Campaign Finance Reports. Newly elected candidates will have continuing reporting obligations until they file their final reports.

Director Rocco then called for Agenda Item 10: Appointment of member to Deed Restriction Committee to replace Rhonda Henry. The Board President appoints members to the committee, but no one is forced to serve. Director Zervigon said he would like to volunteer to serve out Ms. Henry's unexpired term. Director Davies' term expires July 19. The rules say if the committee cannot reach a unanimous decision, the issue must be taken up by the full Board. In the event a committee member cannot attend a committee meeting, another director can attend as an advisor, but not as a substitute. Director Hardin volunteered to be the permanent back-up to Director Davies. Director Hardin moved to appoint Director Zervigon to the Deed Restriction Committee to replace Rhonda Henry. Director Garrett seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 11: *Review all committees and subcommittees and appoint members as needed as a result of the Directors election.* The following committees were appointed:

NAME OF COMMITTEE	MEMBERS
Bills & Invoices	Hardin/Zervigon
Budget	Hardin/Rocco
Fire Protection	Hardin/Rocco
Information Management	Davies/Garrett
Infrastructure	Hardin/Zervigon
Insurance	Hardin/Rocco
Investment	Hardin/Davies
Lakeline Oaks Park (Building)/Parks-General Management	Hardin/Garrett
Solid Waste & Recycling	Davies/Rocco
Restrictive Covenants	Davies/Zervigon
Vulnerability Study	Rocco/Zervigon
Website	Davies/Garrett

Director Rocco then called for Agenda Item 12: *Adjournment.* The meeting was adjourned at 1:33 p.m.

Linda Garrett, Secretary

Board of Directors