

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

June 21, 2006

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 June 21, 2006, 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.

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

Chris Rocco	-	President
Steve Davies	-	Vice President
Linda Garrett	-	Secretary
Brian T. Hardin	-	Treasurer
Luis Zervigon	-	Assistant Secretary/Treasurer

All the directors were present, thus constituting a quorum. Also present at the meeting were Bill Fry, Wyatt Misenheimer, Becky Stathos, and Kristi Hester with Severn Trent Services; Bill Flickinger with Willatt & Flickinger; L. Mike Williams with Gray-Jansing & Associates; and Greg Vinella with EcoSystems, and Barry Hawk.

Director Rocco called the meeting to order at 6:05 p.m. and stated that the Board would first consider Agenda Item 1: *Minutes from the May 17, 2006 and May 23, 2006 meetings*. On a motion by Director Hardin, seconded by Director Davies, the Minutes from the May 17, 2006 meeting were unanimously approved as written.

Director Zervigon asked that his motion at the special meeting on May 23, 2006 be corrected to read “. . . and lodging at a rate not to exceed \$130 plus any applicable taxes.”

On a motion by Director Zervigon, seconded by Director Garrett, the Minutes from the May 23, 2006 special meeting were unanimously approved as corrected.

Director Rocco then called for Agenda Item 2: *Report from the District's engineer*. Mr. Williams provided several copies of the original drainage plans for Old Mill Road and the berm detail from the City of Austin as well as copies of Ms. Long's plan.

Mr. Williams said they are still waiting to get a structural engineer on board to discuss the wall.

Mr. Williams also reported that the commercial building plans for Hibernia/Capital One had been returned to the engineer with comments and copies were sent to the Board.

Director Zervigon suggested discussing with GJA that reports for the Board be distributed through STES instead of the attorney's office. Director Hardin suggested talking with Mr. Bayes at the CASE Conference. Director Zervigon agreed.

Director Rocco then called for Agenda Item 9: *Repairs to District's CMU fence.* Mr. Fry called the Board's attention to the two proposals to repair sections of the wall which need immediate attention. The proposal from Great Walls includes the sections in The Park at Lakeline Oaks and at the Hatch Road Lift Station. The proposal from CD Lone Star breaks out the section on Mimosa also. After a brief discussion, Director Zervigon moved to authorize CD Lone Star to make the wall repairs at three locations in accordance with the design by the original structural engineer. Director Hardin seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 4: *Recognition of Service to the District by Past President, Barry Hawk.* Director Hardin expressed appreciation for Mr. Hawk's hard work and dedication to Williamson-Travis Counties MUD #1. He then presented Mr. Hawk with a plaque and a letter of appreciation. Director Rocco expressed his appreciation as well.

Director Rocco then called for Agenda Item 10: *Residential drainage problems on lots on Old Mill Road.* The Board discussed responsibility for the drainage problems but no action was taken. This issue was sent back to the Deed Restriction Committee for further discussion. Mr. Fry said he and Director Rocco had met with two of the three homeowners involved.

Director Rocco then called for Agenda Item 5: *Authorization for expenditure for engineering fees for consultation with Members of District Infrastructure Committee.* Director Zervigon said he discovered he could not just contact the District engineer without authorization to pay him for his time unless the engineer was willing to take the risk that might not be paid. An ad hoc committee composed of Directors Zervigon and Hardin was appointed at the special meeting on June 13 to consider a mechanism for dealing with this agenda item. Director Zervigon has since found out there is an informal system in place. Director Zervigon then moved that the Board authorize an amount not to exceed \$600 to cover the engineer's time to meet with him. Director Hardin seconded the motion. Director Zervigon said he is seeking more information about the experience and qualifications of GJA to assist him as a Board member. Director Hardin will contact Mr. Bayes to see if he would be willing to meet with Director Zervigon over lunch at no charge. Director Zervigon said he would still like authorization for funding if necessary. The Board then voted unanimously to authorize an amount not to exceed \$600 for the District's

engineering firm to brief Director Zervigon relative to work they have performed for the District.

Director Rocco then called for Agenda Item 8: *Quarterly Investment Reports*. There was no action taken on this item, but it should remain on the agenda.

Director Rocco then called for Agenda Item 11: *Access Control, Building Security, and Site Surveillance for 1000 Old Mill Road*. The District has never received a final bill for the software. This item will remain on the agenda.

Director Rocco then called for Agenda Item 12: *District website – including posting of approved minutes and draft minutes*. Director Zervigon said in general he would rather not discuss issues from scratch at Board meetings but instead send them to a committee for discussion. He would also like to post the “draft” minutes on the website giving residents an opportunity to make corrections also. Following a lengthy discussion, this issue was referred to the Website Committee.

Director Rocco then called for Agenda Item 13: *Proposal for maintenance of District website*. Director Zervigon suggested issuing an RFP for maintenance of the website. Director Davies said he has been in no rush to hand off the responsibility. This issue was referred to the Website Committee.

Director Rocco then called for Agenda Item 29: *Receive citizens’ communications*. Mr. Hawk said previous directors had discussed installing a dedication plaque when the MUD office building was built and asked the Board to consider putting such a plaque on the outside of the building. The issue was referred to the Parks Committee.

Director Rocco then called for Agenda Item 14: *Amend Budget*. This is a standing item on the agenda but should be changed to just read “Budget.”

Director Rocco then called for Agenda Item 15: *Fire Protection Services*. Director Hardin said the Committee is going to meet with the new fire chief at the Volente Fire Department.

Director Rocco then called for Agenda Item 16: *Signs and markers within the District*. STES will update the inventory of signs and markers on an annual basis. Temporary fireworks/firearms signs will be put up this weekend. The phone number on the sign at the Madeline Loop detention pond needs to be changed. This item can now be removed from the agenda.

Director Rocco then called for Agenda Item 35: *Report from District's landscape contractor and related action*. Mr. Vinella said EcoSystems would be happy to work through the subcommittee if the Board prefers. The proposals for adding mulch to existing beds and installing additional plants in the entryway beds were referred to the Parks Committee. Mr. Fry recommended that he and Mr. Vinella meet with the Parks Committee soon.

Director Rocco then called for Agenda Item 17: *Solid Waste Disposal Contract*. There were no complaints received in May. Mr. Fry said he received an e-mail from Waste Management retracting the cancellation notice. He suggested to Kirk Harrison that representatives attend tonight's meeting. STES was directed to send Waste Management a certified letter instructing them to deduct the amount they owe in fines so their billing system will quit sending out cancellation notices for a past-due amount that does not exist. The letter should also remind them that the contract requires a representative attend meetings on a quarterly basis.

Director Rocco then called for Agenda Item 18: *District depository, bank accounts*. Ms. Hester has new signature cards for the Dain Rauscher account as well as a resolution for the manager's account. Director Hardin said the signature cards were actually a resolution and should not be signed. Signature cards are still needed.

Director Rocco then called for Agenda Item 19: *2005 Drinking Water Quality Report*. Fry said the necessary changes were made prior to mailing.

Director Rocco then called for Agenda Item 20: *Additional Testing of District's Drinking Water Supply*. Mr. Fry explained that all sampling is done by TDH which then provides the information to TCEQ. Director Davies said he is satisfied that the residents are protected and withdrew his request for additional testing.

Director Rocco then called for Agenda Item 21: *Amend Rate Order – Adjustments to winter averaging*. Director Hardin said Ms. Hester prepared a spreadsheet showing how many residents would be affected and to what extent. A task force of Directors Hardin and Rocco will make a recommendation at the July meeting.

Director Rocco then called for Agenda Item 22: *District e-mail policy*. Mr. Flickinger reiterated that all e-mails could be subject to open records and that directors should use caution when sending a reply to "All". E-mails to the District's attorney are considered attorney-client privilege.

Director Rocco then called for Agenda Item 23: *Strategic planning process*. Director Rocco said he met with a facilitator now working for the Employees Retirement System and would like for the Board to consider having a strategic planning session in the near future. He will probably present a proposal at the July meeting.

Director Rocco then called for Agenda Item 26: *Procedures for authorization of expenditure of District funds for services of consultants including District Manager, District Engineer, District Attorney and other consultant firms*. An ad hoc committee composed of Directors Zervigon and Hardin was appointed at the June 13 special meeting to consider a mechanism for dealing with this agenda item. The committee has not had an opportunity to meet yet.

Director Rocco then called for Agenda Item 27: *Procedures for placing items on Board agenda and calling of Special Board meetings*. Mr. Flickinger said if the Board president asks him to call a special meeting, he will do so. He added that according to current policy, if the attorney, general manager, or a Board member requests an item be put on the agenda it is.

Director Rocco then called for Agenda Item 28: *Notebook for Directors containing current District documents and information*. Mr. Fry said he showed Director Zervigon the District notebook he keeps and thinks it would be good for directors to have a similar reference notebook. On a motion by Director Zervigon, seconded by Director Davies, the Board voted unanimously to authorize STES to produce a notebook for each director who requests one, charging only for material costs.

The Board took a short break at this time.

Director Rocco then called for Agenda Item 30: *Report from the DRC and act on restrictive covenant enforcement*. Director Davies pointed out that the minutes of the meeting were in the packet. No residents attended. The DRC discussed possible letter and software modifications. No letters will be sent in Anderson Mill West until further notice. Director Hardin pointed out that he had volunteered to back-up Director Davies in an advisory capacity in the event Director Davies could not attend a DRC meeting. Director Hardin feels like if a director needs to fill in for a member of the DRC, the director should be able to do so with full authority as a member of the committee. Mr. Flickinger said the current rules would not allow for that, but he could review them if the Board would like. On a motion by Director Zervigon, seconded by Director Davies, the Board voted unanimously to authorize Mr. Flickinger to amend the rules and resolution appointing members to add full authority to any director who substitutes for a member of the DRC.

Director Zervigon added that the DRC voted to make the following recommendations to the Board regarding possible improvements to the current software used by STES which would also be useful to other STES customers:

- 1) Authorize STES to explore a long-term solution and cost with suggestions from the Committee;

- 2) Ask STES to provide short-term usable information immediately by exporting the data base to an Excel read-only file;

3) Ask STES to work with the Committee to bring more statistical information into the monthly report, as the Committee clarifies what statistical information it wants to see.

He said the DRC also agreed to recommend to the Board that STES be asked, with the cooperation of the DRC, to prepare a concept for the first DR letter to be a friendly reminder without using the word “violation”, and to submit that first letter to each of the ACC’s within the District for review and comment, following which STES and Mr. Flickinger would provide recommendations as to what changes would need to be made in the rules to accommodate the new first letter. Director Zervigon would prepare a draft clarifying how the DRC would like the procedure changed for Director Davies’ review prior to sending it to Mr. Flickinger. Director Zervigon moved to ask Mr. Flickinger to review the proposed changes at a cost not to exceed \$600 and report back to the Board at the next meeting. Director Davies seconded the motion, which passed unanimously. Director Zervigon then moved to authorize the DRC to consult with Mr. Flickinger on the rules. Director Davies seconded the motion which carried unanimously.

Director Rocco then called for Agenda Item 31: *Report from the ACC*. Director Zervigon said he had been authorized by Mr. Csahanin to report for AMWNA. The ACC has requested STES put all letters on hold until a new first letter is implemented. They are very eager for changes to take place as quickly as possible. In the meantime, if a condition is found that presents a substantial threat to the community, the ACC will act by authorizing a letter to be sent.

Director Rocco then called for Agenda Item 34: *Political signs – Section 202.009, Texas Property Code*. Director Zervigon explained that although the Board agreed to abide by this law which applies to HOA’s, there was never a motion to formally accept it. He then moved to formally adopt Section 202.009 of the Texas Property Code which relates to political signs as a District policy and to refer optional provisions to the individual ACC’s. Director Davies seconded the motion, which passed unanimously.

Director Rocco said that in his position as president of the AMWNA he gave a statement to the publisher of the AMWNA newsletter urging residents to comply with all deed restrictions.

STES was directed to send in an open records request for the mailing address of the owner of 1603 Hickory.

A resident in Hunters Glenn #2 wants to extend the width of his driveway to accommodate his disabled son's vehicle. He was told he would need to get ACC approval. Mr. Flickinger explained that although Hunters Glenn #2 has a mandatory HOA, the developer never formed the association. Director Zervigon added that if a resident submits a proposal requiring ACC approval, the committee must act within 30 days or the proposal is automatically approved. If a resident proceeds with a modification without ACC approval, he must do so with the risk he could be cited if an ACC forms within the four years statute of limitation. Director Zervigon suggested Mr. Flickinger draft a form letter explaining the situation. Mr. Flickinger said that Buffington employees were the original board members and had the association ever formed, an ACC would have been appointed by that board. The MUD Board does not have power to approve or disapprove architectural modifications. Mr. Flickinger said he agrees that a form letter would be a good idea, but he also suggested the resident discuss the issue with his neighbors and possibly obtain their permission. Director Zervigon moved have Mr. Flickinger draft the form letter containing this suggestion and pointing out the subsequent risk. Director Garrett seconded the motion, which passed unanimously. STES will check the drainage, utilities, etc. prior to the letter being sent.

Director Rocco then called for Agenda Item 36: *Report from the Park Subcommittee regarding park improvements*. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 37: *All matters related to the District's parks, fields and office building*. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 7: *Improvements to Hatch Road Lift Station*. Mr. Fry said the Hatch Road lift station does not meet OSHA requirements and presented a proposal to bring it up to OSHA standards by installing a fall arrest system. Director Zervigon moved to authorize the installation of the fall arrest system at a cost not to exceed \$5,687. Director Garrett seconded the motion, which passed unanimously.

Director Rocco 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*
- o) collection of delinquent property taxes*
- p) preventative maintenance program*

Mr. Fry reviewed operations and maintenance within the District during May.

He then reviewed Directives as follows, stating that the current procedure prevents a directive from being removed unless it has been discussed in the meeting:

BOARD MEMBERS:

- Director Nasky furnished GJA with the name of a structural engineer.
- The directive regarding the drainage problems on Old Mill Road will remain.
- Director Rocco said he has a copy of the report detailing AMWNA's usage of beautification funds later in his car and will fax it to Ms. Stathos after the meeting.
- Director Hardin's directive regarding developing a business plan for rental of a camera was referred to the Infrastructure Committee.
- Director Davies' directive regarding crime watch information was removed.
- Director Davies' directive regarding a contract for administration of the District website was referred to the Website Committee.

SUBCOMMITTEES:

- The Investments Committee met with Dain Rauscher.

ATTORNEY:

- An item was added to the June agenda regarding additional water testing.
- An item regarding AWBD/CASE was on the agenda for the special meeting.

- The directive regarding crime watch information was removed.

ENGINEER:

- A copy of Ms. Long's plans was provided as directed.

GENERAL MANAGER:

All current directives have been completed with the following exception:

- The procedure for access through a detention pond will be added to the SOP manual.

Ms. Hester reported that the owner of Full Court Fitness filed personal bankruptcy, not corporate. On a motion by Director Hardin, seconded by Director Rocco, the Board voted unanimously to turn this account over for collection.

The General Manager's pending directives from prior meetings should be updated as follows:

- Both directives regarding Full Court Fitness should be removed.
- The sign near the tennis court timers still needs to be changed and a card prepared to be given out with tennis keys.
- Legal/engineering deposits will be determined on a case by case basis. STES will research to determine how much land Pohl Brown still owns in the District.
- The preventative maintenance data base still needs some items added.
- A printed copy of the sign inventory was distributed in lieu of a PowerPoint presentation.
- The gate to the tennis court in The Park at Lakeline Oaks has been repaired.

Director Zervigon moved to assign all requests for collections and write-offs to the Bills & Invoices Committee. Director Garrett seconded the motion, which passed unanimously.

Future customer correspondence related to billing should go to the Bills & Invoices Committee.

STES was directed to notify Account #982-1063-04 that his wastewater average will be rolled back to the previous year due to a water leak during the averaging period.

STES will prepare a statement that the Board does not issue credit on water bills as a result of a water leak, but will allow STES to set up a payment plan. This information will be provided to customers with such issues.

Director Rocco said he received an e-mail that a swing in Anderson Mill West Park needs greasing. This will be added to the Parks Maintenance List for review by the Parks Committee.

Mr. Fry reviewed the preventive maintenance program summary. It does not include park equipment as this is checked on a weekly basis. STES was told that any scheduled preventative maintenance which has not been done should be completed as soon as possible. Walking the building to check for things such as whether the air conditioning filters need to be changed and items of this nature should be added to the program. A discussion followed. The purpose of asking STES to provide a summary was to make sure a preventative maintenance schedule exists that encompasses everything, review the process, and ensure the maintenance is being performed.

Mr. Fry gave the Board a heads-up that a letter will be coming from TCEQ stating that the maximum daily purchase rate is supposedly below the minimum required production rate according to the water purchase contract with the City of Cedar Park. Mr. Fry will research this issue and report back to the Board.

Director Hardin said he is going to redesign some of the financial reporting forms and will be presenting the financial report at future meetings. Directors would prefer to only have anomalies called to their attention. Director Hardin said he focuses on large variances. Ms. Hester said the amount due the CPFDD was reduced from that presented to the Bills & Invoices Committee. Checks for two more building rental deposits have been added. Adjustments were made to the STES invoice for park maintenance resulting in a reduction of \$92.06. On a motion by Director Hardin, seconded by Director Zervigon, the Board voted unanimously to pay all bills and invoices.

At 10:17 p.m., Director Rocco announced that the Board of Directors would then go into executive session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Items 6, 24, and 25.

At 11:08 p.m., Director Rocco announced that the Board of Directors had concluded its executive session and was returning to the open meeting. He said no action was taken during the executive session.

Director Rocco then called for Agenda Item 6: *Accident involving Severn Trent employee on February 27, 2006*. There was no discussion under this agenda item.

Director Rocco then called for Agenda Item 24: *Customer Information – Service Applications – Requests for and confidentiality of Social Security Numbers*. Director Zervigon made a motion to adopt a resolution to respect the law that permits disclosure of SSN and have STES redact the SSN of any resident before releasing information. Director Hardin seconded the motion, which passed unanimously.

STES was directed to change the District's new service application in accordance with the motion.

Director Rocco then called for Agenda Item 25: *Emergency Response Plan and Vulnerability Assessment and compliance with statutory and regulatory requirements in connection with same*. Director Zervigon moved to authorize the Vulnerability Study Committee to negotiate a contract with a professional consultant to review the existing Vulnerability Assessment for conformance with EPA requirements at a cost not to exceed \$1,000. Director Hardin seconded the motion. Following a discussion, the motion passed unanimously.

Director Zervigon then moved to authorize the Vulnerability Study Committee to negotiate a contract with Severn Trent or other qualified provider to produce and maintain an Emergency Response Plan meeting the requirements of the Environmental Protection Agency at a cost not to exceed \$2,000. Director Garrett seconded the motion. Mr. Flickinger said following 9/11 Emergency Response Plans, or at least that part of the documents dealing with vulnerability assessments, have not been public documents. He will attempt to obtain any public portion of the plans for the City of Austin and City of Cedar Park. Director Davies feels customers should be advised to keep five gallons of water on hand for each person in the family. Following additional discussion, the motion carried unanimously.

Director Rocco then called for Agenda Item 32: *Funding for and interaction with homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions*. This was discussed under a previous agenda item.

Director Rocco then called for Agenda Item 33: *Rules for enforcement of restrictive covenants that include fines and termination of services*. There was no discussion under this agenda item.

Director Rocco then called for Agenda Item 38: *Adjournment*. The meeting was adjourned at 12:13 a.m. on June 22, 2006.

Linda Garrett, Secretary

Board of Directors

Date: _____