

MINUTES OF MEETING OF THE BOARD OF
DIRECTORS OF WILLIAMSON-TRAVIS COUNTIES

MUNICIPAL UTILITY DISTRICT NO. 1

July 19, 2006

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 July 19, 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; Don Bayes with Gray-Jansing & Associates; Kelly Bell with Bury & Partners; and District resident Lila Lyckman of 2101 Windy Oaks Cove.

Director Rocco called the meeting to order at 6:08 p.m. and stated that the Board would first consider Agenda Item 1: *Minutes from the June 13, 2006 and June 21, 2006 meetings*. On a motion by Director Zervigon, seconded by Director Garrett, the Board unanimously approved the Minutes from the June 13, 2006 special meeting as written.

On a motion by Director Hardin, seconded by Director Zervigon, the minutes of the June 21,

2006 regular meeting were approved with the following corrections:

1. The next-to-last paragraph on page 1 should read as follows: "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."
2. Agenda Item 5 should read, in part, "Director Zervigon said he is seeking more information about the experience and qualifications of GJA to assist him as a Board member."
3. Agenda Item 18 should state that signature cards are still needed and there should be no reference to removing the item from future agendas.

Mr. Flickinger was directed to remove Bluebonnet School, Milburn Homes, and Mr. Baumgart from the agenda mailing list.

Director Rocco then called for Agenda Item 21: *Receive citizen's communications*. There were no citizens present who wanted to address the Board.

Director Rocco then called for Agenda Item 2: *Report from the District's engineer*. Mr. Bayes said the only item he needed to discuss was the Hibernia/Capital One bank facility under construction at the NW corner of El Salido Parkway and RM 620. The tie-in point to the water system is on the City of Cedar Park side of the master meter. Mr. Bayes contacted Mr. Flickinger who told him that the agreement with the City of Cedar Park for the NE corner does not apply to the NW corner. There is no agreement in place for that corner. It was originally not in the District or the City. The City planned to annex it, but could not get a contiguous strip, so the District annexed it. The City has approved the site utility plan with the understanding that they provide water service. Director Zervigon moved to have Mr. Flickinger draw up an agreement between the District and the City, similar to the agreement for the NE corner, whereby the City would provide water and the District would provide wastewater; to authorize Director Rocco to sign the agreement; and to direct STS not to issue a permit for wastewater until advised that the agreement has been signed by both parties. Director Hardin seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 6: *Residential drainage problems on lots on Old Mill Road*. On a motion by Director Davies, seconded by Director Zervigon, the Board voted unanimously to have STS draft a letter informing the residents involved that the Board has studied the problem and does not feel it is a MUD issue and urging them to get together to

resolve the problem. Mr. Flickinger will review the letter before it is mailed.

Director Rocco then called for Agenda Item 5: Repairs to District's CMU fence. Mr. Bayes said he is still trying to find structural engineer willing to work on this project and hopes to have someone lined up by the next Board meeting who would work as consultant to GJA. Repairs previously approved have been completed and inspected by STS staff and Mr. Fry. The Board directed Mr. Bayes to develop a procedure using a structural engineer to handle fence repair issues as needed. If the cost exceeds \$1,000 he would have to bring the matter back to the Infrastructure Committee. Director Zervigon moved that only activity related to potential threats to the integrity of the fence would be undertaken, and if the cost exceeds \$2,000 per month Mr. Bayes must get approval from the Infrastructure Committee. An activity report by the Infrastructure Committee should be included in the packet each month. Director Davies seconded the motion, which passed unanimously.

STS was directed to obtain time and material costs from CD Lone Star and Great Walls of Texas.

Director Davies filled in for Director Hardin at the last Bills & Invoices Committee meeting.

There was a discussion regarding the fact that refund checks do not always get cashed and STS ends up issue a stop payment order. However, this issue comes up so seldom that no action is necessary.

Ms. Hester distributed updated financial reports. Director Hardin reported on the financial condition of the District. He discussed the reformatted reports designed to point out variances.

On a motion by Director Hardin, seconded by Director Garrett, the Board unanimously approved payment of all bills and invoices with checks #6992–#6999, and checks #7500–#7512 totaling \$188,544.03.

Director Rocco then called for Agenda Item 10: Budget. Director Hardin presented a brief synopsis of what is included in the budgeting process.

Director Rocco then called for Agenda Item 11: Tax Rate. Mr. Flickinger said the deadline for approving an order setting the tax rate is determined by the County and is typically in early September. He explained the requirements that must be met prior to setting the tax rate. Ms. Hester was directed to prepare the necessary spreadsheets and notify the Budget Committee when she is ready to meet with them.

Director Rocco then called for Agenda Item 4: Quarterly Investment Reports. On a motion by Director Zervigon, seconded by Director Garrett, the Board unanimously approved the quarterly investment reports for the last three quarters.

Director Rocco then called for Agenda Item 14: *District depository, bank accounts*. Director Hardin will get signature cards from Dain Rauscher. This item should remain on the agenda.

Director Rocco then called for Agenda Item 15: *Amend Rate Order – Adjustments to winter averaging*. Director Rocco reported that the committee had discussed this issue but recommends not making any adjustments at this time. Director Rocco said he would inform Reverend Browning.

Director Rocco then called for Agenda Item 7: *Access Control, Building Security and Site Surveillance for 1000 Old Mill*. This item should be removed from the agenda.

Director Rocco then called for Agenda Item 8: *District website – Including posting of approved minutes and draft minutes*. Director Zervigon said he discussed possibly posting of a draft copy of the minutes before they are approved. He found out at the CASE conference that no one else posts draft minutes. Mr. Flickinger recommended treating this issue on a case by case basis if a resident asks to see them before approval. The Board agreed this would be a good way to handle the issue.

Director Rocco then called for Agenda Item 9: *Proposal for maintenance of District website*. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 12: *Fire Protection Services*. Director Harding said he met last weekend with the Volente VFD fire chief. Volente VFD is part of ESD 14 and wants to expand. Once the VFD find property and meets all requirements, they will provide a proposal for fire protection services. Blockhouse MUD did not reach an agreement with the City of Cedar Park, but instead signed with the City of Leander. Mr. Flickinger will request a copy of the contract.

Director Rocco then called for Agenda Item 13: *Solid Waste Disposal Contract*. Mr. Fry said several incidents were reported this month. He spoke with Kirk Harrison and encouraged him to meet with the committee prior to tonight's meeting. The fine for spillage will appear next month. STS was directed to send WM a certified letter every month until their invoice is corrected. Director Davies said he specifically told WM representatives that the committee would consider doing away with the fines if they rectified leakage in the District and purchased two new trucks for use in the District. STS will continue documenting everything, fining, monitoring, and requesting the presence of a WM representative at Board meetings. In the meantime, Mr. Flickinger will review the contract for exact performance. STS will provide the Solid Waste Subcommittee with justification of the \$6,000 in fines and will e-mail the trash log to the subcommittee and attorney.

Director Rocco then called for Agenda Item 16: *Strategic planning process*. Directors Rocco

and Hardin met with a facilitator to discuss the strategic planning process. They feel she could possibly facilitate proactive planning and wanted to know if the Board would be interested in obtaining a proposal. No action was taken on this agenda item.

Director Rocco then called for Agenda Item 17: Customer Information – Service Applications – Requests for and confidentiality of Social Security Numbers. Mr. Flickinger distributed the revised New Service Application and Confidentiality Form now being used by STS. No action was needed on this agenda item.

Director Rocco then called for Agenda Item 18: Emergency Response Plan and Vulnerability Assessment and compliance with statutory and regulatory requirements in connection with same. Mr. Flickinger distributed a supplemental packet containing copies of signed contracts negotiated in accordance with action taken at the last Board meeting. STS will utilize the information Director Davies developed, and modify it if necessary, and certify to the Board that it is in compliance with all EPA laws, thereby insulating the District. STS was directed to use as much of the Director Davies' work as possible.

A limited contract was executed with Kimmons to determine if the VA, as written, complies with EPA standards. Last month the Board authorized Kimmons to begin the process at a cost not to exceed \$1,000. Kimmons has now requested an additional \$750 to cover the cost of touring the facilities. The committee has the authority to authorize the additional expenditure if it thinks it is justified. Director Zervigon moved to authorize the additional \$750 and Director Rocco seconded the motion. Director Davies said he would like to explore some of the topics and would like an explanation of why the total amount is proposed. Director Zervigon said justification was based on his experience as an engineer and working with EPA. He also said it is important that the Board be insulated on anything submitted to EPA. He said he thinks things of this nature should be prepared by professional consultants, reviewed and certified to be consistent with EPA requirements. Director Davies said the comments in the ERP were based on fact and that the previous board felt they were handled appropriately.

Mr. Flickinger said he has determined that an ERP is not a public record. Director Davies said he does not feel like the VA is a good place to invest money, but the ERP is because it needs to be updated. Director Zervigon apologized if anything he did impugned Director Davies. Director Davies said Kimmons was not certified at the time the VA was put together and he thinks it is inappropriate for Director Zervigon to redact or question the things done by the prior board.

Director Davies moved to approve an additional \$750 for Kimmons to review the VA. Director Zervigon seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 19: Procedures for authorization of expenditure of District funds for services of consultants including District Manager, District Engineer, District Attorney and other consultant firms. Director Hardin said that the issue has been discussed but that they have realized it is a much bigger issue. This matter was deferred until the August

meeting.

Director Rocco then called for Agenda Item 20: *Procedures for placing items on Board agenda and calling of Special Board meetings*. Mr. Flickinger said if a Board member asks that something be added to the agenda, he will do so. Director Rocco said he will not call any more special meetings unless absolutely necessary.

Director Rocco then called for Agenda Item 22: *Report from the DRC and act on restrictive covenant enforcement*. Director Davies said will send Mr. Fry a list of things that should be brought to DRC meetings.

The format for the friendly letter was approved. It will be mailed to AMW residents prior to a first letter and brings about potential changes in the rules.

The process of accumulation of minor/major violations is three violations of the same restriction.

Director Zervigon distributed a revised study paper he wrote exploring the rights of residents and the changes in the enforcement process required to respect those rights. He said this was also discussed at the DR Committee meeting and the AMWNA meeting. Following discussion by the Board, he withdrew the sample violation letters, which are appended to the study, to redact names for later distribution after redaction.

At Director Hardin's request, Mr. Fry will provide an outline the provisions of the DR enforcement rules.

Mr. Flickinger pointed out he was asked to work up an informational packet for Hunter's Glenn II. He feels it covers all information currently available which would be helpful to the residents. He requested that DRC authorize Mr. Fry to distribute it to HG II residents after they have reviewed the information.

Mr. Flickinger reported that he wrote a letter to GMAC regarding lawn maintenance at 1320 Piney Creek but has not received a response.

Ms. Stathos reported that the constable sent a demand letter to the owner of record of 1603 Hickory. No response was received so the constable followed with a citation. The next step is to issue a warrant, but the constable indicated it could take up to a year to process the warrant due to a backlog. Ms. Stathos is still trying to obtain the address used by the constable. If the owner can be located, Mr. Flickinger can file a lawsuit. Director Rocco said he would get a quote for cleaning up the backyard.

Director Rocco then called for Agenda Item 23: *Report from the ACC*. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 24: *Appointment of Members to DRC, including back-up members if regular member cannot attend meeting.* On a motion by Director Hardin, seconded by Director Davies, the Board unanimously approved a resolution giving a back-up member of the DRC full authority to act.

Director Hardin moved to reappoint Directors Davies and Zervigon to the DRC for terms expiring October 18, 2006. Director Garrett seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 25: *Funding for and interaction with homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions.* Director Rocco has turned in the back-up for expenditures by AMWNA.

Director Rocco then called for Agenda Item 26: *Rules for enforcement of restrictive covenants that include fines and termination of services.* Director Zervigon said he has requested STS send information on political signs to each ACC letting them know the Board has formally adopted this as District policy and leaving enforcement of any optional provisions up to each individual ACC. The DRC will discuss possibly resuming night drives.

Director Rocco then called for Agenda Item 28: *Proposal for clarifications and revisions to the Rules for Enforcement of Deed Restrictions.* This was discussed under a previous agenda item.

Director Rocco then called for Agenda Item 29: *Report from the District's landscape contractor and related action.* Director Hardin said EcoSystems reported vandalism to sprinkler heads in both parks. The Board directed STS to have temporary signs made for the parks offering a \$200 reward for information leading to the arrest and conviction of anyone committing vandalism on District property. These signs should be added to the sign inventory

Director Rocco then called for Agenda Item 30: *Report from the Park Subcommittee regarding park improvements.* On a motion by Director Garrett, seconded by Director Hardin, the Board voted unanimously to approve the bid from EcoSystems to add mulch to existing beds at a cost not to exceed \$2,316.25. Mr. Fry will walk the parks again soon with the committee.

Director Garrett moved, seconded by Director Rocco, to approve having a mason repair two rock columns under the Anderson Mill West pavilion (#6 on the Parks Maintenance List) at a cost not to exceed \$250. Motion carried unanimously.

On a motion by Director Hardin, seconded by Director Davies, the Board unanimously approved replacing three BBQ grills at Anderson Mill West Park (#7 on the Parks Maintenance List) at a total cost of \$840, including installation.

STS was directed to reset the timer for the tennis court lights in The Park at Lakeline Oaks to where they turn on upon demand and turn off at 10:00 p.m.

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*

Directives were reviewed as follows:

BOARD MEMBERS:

- All current Board directives have been completed.
- Director Davies directives on records management and going on another DR drive are both on-going.

SUBCOMMITTEES:

- DEED RESTRICTIONS – The drainage issues have been reassigned to the Infrastructure Committee
- PARKS – Discuss possibly purchasing a plaque for the building
- FIRE PROTECTION – Item should be kept on agenda but removed from directives
- PARKS – Proposal for adding mulch to existing beds has been approved and done.
- HARDIN/ZERVIGON AD HOC COMMITTEE – Consider mechanism for dealing with authorization of funds between meetings is on going
- INFRASTRUCTURE – Business plan for rental of camera is on going
- VULNERABILITY STUDY – Contract with consultant to review existing VA has been signed
- VULNERABILITY STUDY– Contract with provider regarding ERP has been signed
- WILLIAMSON COUNTY – Reassigned to STES to work with County on street and side walk issues.
- HARDIN/ROCCO TASKFORCE – Winter averaging recommendation has been made

ATTORNEY:

- Signs & Markers item has been removed from agenda
- District depository, bank accounts item will remain on agenda for now
- Rules and resolution for appointing new members to the DRC was approved
- Review proposed changes to DR procedure at cost not to exceed \$600 and report back

at July Board meeting – directive should remain but “report back. . . “ should be deleted

- Letter to Hunters Glenn II residents regarding ACC has been drafted
- Researched ERP and determined that it is confidential under 2003 state law which was fallout from 9/11. It is also protected from open records. An entity is not precluded from disclosing the information, but is not required to. The City of Austin’s hazard mitigation plan is on their website
- Directives regarding working with Records Management Officer and condemnation proceedings are both on-going
- Will try to get copy of Blockhouse MUD’s contract and fire protection plan with City of Leander and will send Director Davies link to COA website.

ENGINEER:

- Directive regarding drainage issue on Old Mill lots should be removed
- Directive regarding condemnation proceedings is on-going
- Still in process of working with STES on scope of proposals from structural engineers

GENERAL MANAGER:

All current directives have been completed with the following exceptions:

- Still in process of compiling Director notebook for Directors Zervigon and Garrett
- Friendly letter will be used beginning with drive on July 25
- Waiting for information on additional address for 1603 Hickory
- The procedure for access through a detention pond will be added to the SOP manual.
- Both directives regarding Full Court Fitness should be removed.
- Parts have been ordered for the fall arrest system at Hatch Road Lift Station
- Review of water purchase agreement with City of Cedar Park is in process and must

make response to TCEQ

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

- More detailed deed restriction SOP will be brought to DRC for review
- Responsibility for issuing access cards has not yet been transferred
- Since the tennis court lights will turn off automatically at 10:00 p.m., a sign regarding the timer is not necessary
- Proposals from structural engineers are still pending
- The SOP for access through the detention pond is still pending

Mr. Fry said it is currently taking three days to read District meters, and they are trying to cut it back to two days.

The Bills & Invoices Committee approved writing off one account and sending seven to collections from June, and writing off one from July.

The Hunters Glenn II resident has agreed to pay all costs related to moving utility boxes, etc. in order to make his driveway accessible to his son. It will be his responsibility to get approval from his neighbors. He will be asked to sign a letter saying he understands he is making these modifications without approval from an ACC, and that in the event a committee forms in the future he might be subject to fines and faces the possibility of having to remove the improvements.

Director Rocco then called for Agenda Item 31: *All matters related to the District's parks, fields and office building*. No action taken.

Director Rocco then called for Agenda Item 32: *Adjournment*. The meeting was adjourned at 11:10 p.m.

Linda Garrett, Secretary

Board of Directors

Date: _____