

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

September 20, 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 September 20, 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 with the exception of Director Garrett, thus constituting a quorum. Also present at the meeting were Bill Fry, Becky Stathos, and Kristi Hester with Severn Trent Services; Bill Flickinger with Willatt & Flickinger; Don Bayes with Gray-Jansing & Associates; and District residents Lila Lyckman, Robert Kenny, Rhonda Henry, and Beverly Zervigon.

Director Rocco called the meeting to order at 6:10 p.m. and stated that the Board would first consider Agenda Item 1: Minutes from the August 16, 2006 and September 5, 2006 meetings. On a motion by Director Zervigon seconded by Director Hardin, the [minutes of the August 16, 2006](#) regular meeting were unanimously approved with the following corrections:

- The first revision to the July 19 meeting minutes should read ‘only activity related to potential threats to the structural integrity of the fence would be undertaken and if the cost exceeds . . .’
- Page 2, paragraph 4 should read ‘Mr. Flickinger said the contract allows filing suit for specific performance.’
- Page 3 item 15: The parenthetical phrase ‘as the ad hoc committee appointed to study this issue’ should be inserted in the second sentence following ‘Director Zervigon said he and Director Hardin. . .’

On a motion by Director Zervigon seconded by Director Rocco, the [minutes of the September 5, 2006](#) special meeting were unanimously approved with the following correction:

- [‘The current O&M tax rate of \\$0.1442’ should be inserted following Director Hardin’s statement regarding the current debt service rate on Page 1.](#)

Director Rocco then called for Agenda Item 2: Report from the District’s engineer (oral report). Mr. Bayes reported that the Capital One construction is on-going. A site plan has been submitted to the City of Cedar Park for an adjacent parcel, but neither the plans nor the deposit have been received by STES.

Mr. Bayes prepared a preliminary operating procedure to handle wall complaints for review by the Infrastructure Committee. He said he has met with the structural engineering firm of Pickett & Kelm and would feel comfortable having them on call for wall repair issues.

Director Rocco then called for Agenda Item 19: Receive citizen’s communications. Ms. Lyckman said the Lakeline Oaks ACC has no objection to dropping all fines for 2200 Portwood Bend.

Mr., Kenney asked about deposits being required for HOA social events. Following a discussion, Director Rocco called for Agenda Item 30: All matters related to the District’s parks, fields, and office building. On a motion by Director Zervigon, seconded by Director Davies, the Board voted unanimously to authorize HOAs to use the facility for business and non-business functions at no charge to the HOA as long as an officer of the HOA is present at the event. All events still have to be scheduled through STES.

Director Rocco then returned to Agenda Item 19: Receive citizen’s communications. Ms. Lyckman informed the Board that Lakeline Oaks HOA recently changed management companies, going from Real Manage to Goodwin Management. The HOA board feels it could do a better service for homeowners by allowing the new management company to do deed restriction enforcement for the HOA beginning September 20, 2006. She said the HOA appreciates all the MUD and STES have done regarding deed restrictions. A lengthy discussion followed. Mr. Flickinger was asked to determine what legal consequences are attached to the contract relationship with STES for deed restriction enforcement due to the withdrawal of Lakeline Oaks from the program and assess the impact on consistency of enforcement relative to the rest of the District. Ms. Lyckman was asked to keep the Board posted on how enforcement is going with Goodwin Management.

Ms. Henry inquired if there were any agenda items related to spending money and asked why additional money was approved for the VA and ERP and what the concern had been. Director Hardin said he thought the concern was because the documents were not prepared by experts. Director Zervigon then gave a detailed explanation regarding his concern about the documents.

Mr. Flickinger asked Director Rocco to call Agenda Item 20: Requests for copies of agenda packages while Ms. Henry was still in attendance. Mr. Flickinger reported that Ms. Henry asked to receive a copy of the agenda and operations packets at the same time board members receive theirs. Mr. Flickinger e-mailed her a copy of the agenda packet and STES delivered a hard copy of the management packet for her to pick up from Director Davies. Director Davies moved to direct the attorney and the operator to make redacted versions of their packets available via pdf and furnish them on a request basis initiated by the requestor for a period of three months at a time. In order to continue receiving a copy, it must be

requested from the attorney's office. The motion was seconded by Director Hardin and passed unanimously.

Write-offs and collections should no longer appear in the packet.

Director Rocco reported that a resident has been hitting golf balls in the Hatch Road detention pond. The Parks Committee will review this issue.

Director Rocco then called for the financial portion of Agenda Item 3: Report from the District Manager. Ms. Hester reviewed the financials contained in the packet. The only invoice changed at the Bills & Invoices Committee meeting was STES', which resulted in crediting the District \$146. Mr. Zervigon asked for a directive to the attorney to help the committee interpret STES operations contract relative to what PM activities may or may not fall under the basic services provision. There was also a question on how the insurance would be affected. Ms. Hester has talked to Ms. Dunbar and Mr. Flickinger.

Director Hardin moved not to pay the CASE invoice for lobbying and Director Davies seconded the motion. Director Zervigon suggested deferring the decision and inviting someone from CASE to make a presentation to the Board. Motion passed unanimously.

All write-offs were approved by the Bills & Invoices Committee.

Director Rocco then called for Agenda Item 10: Amend Rate Order. Director Hardin moved to reduce the fire protection fee to \$6.42 and authorize Director Rocco to sign the amended rate order. Director Zervigon seconded the motion, which passed unanimously. The budget will be amended at the next meeting to reflect the change.

On a motion by Director Hardin, seconded by Director Zervigon, the Board voted unanimously to approve payment of all bills and invoices with checks #7514 – #7648 totaling \$196, 412.34.

The Audit Engagement letter has been signed and mailed to Maxwell, Locke & Ritter. The auditors will start on field work the week after Thanksgiving and present the audit at the December meeting.

Director Hardin made a motion to move the December meetings up a week, changing the December Deed Restriction Committee meeting to December 6th, and the Board meeting to December 13. Director Rocco seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 4: Repairs to District's CMU fence. There were no repairs made during August.

Director Rocco then called for Agenda Item 5: District website and Agenda Item 6: Proposal for maintenance of District website. Director Davies moved to approve the proposal from Mark Maxwell to maintain the District website. Director Zervigon seconded the motion, which passed unanimously. Director Davies will act as liaison between the Board and Mr. Maxwell on any technical issues. STES will obtain Mr. Maxwell's signature.

Director Rocco then called for Agenda Item 7: Fire Protection Services. There is nothing new to report. The directive to talk to Jollyville VFD should be changed from the Fire Protection Committee to Director Rocco.

Director Rocco then called for Agenda Item 8: Solid Waste Disposal Contract. The Solid Waste Committee will meet on September 21st at STES. A meeting with WM has been tentatively scheduled at 4:00 p.m. on September 25.

Director Rocco then called for Agenda Item 9: District depository, bank accounts. There was nothing to report on this agenda item.

Director Rocco then called for Agenda Item 11: Strategic planning process. Director Rocco has requested a proposal, but no response has been received.

Director Rocco then called for Agenda Item 12: Emergency Response Plan and Vulnerability Assessment and compliance with statutory and regulatory requirements in connection with same. STES cannot work on the ERP until the VA is complete.

Director Rocco then called for Agenda Item 13: Procedures for authorization of expenditure of District funds for services of consultants including District Manager, District Engineer, District Attorney, and other consultant firms. The Ad Hoc Committee of Directors Hardin and Zervigon has discussed the GJA engineering contract and recommends amending it so that only Board members can authorize work by the engineer. Director Zervigon asked that the Management Committee be directed to review the engineer's contract deleting Section I, Subparagraphs B & D, and putting this subject on the agenda for next the meeting.

Director Zervigon moved to invoke the procedure agreed to at the last meeting for authorizing interim services by the attorney, but applying the it to the engineer for an amount limited to \$250 using the same procedure and form. Director Davies seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 14: Water and wastewater utility service to Lot 1 of Replat of Lot 1, Blk. B of Anderson Mill West Section Nine (Capital One/Hibernia Bank). Mr. Flickinger said the agreement was approved for Lot 1. The City has received plans on the lot next to it and asked if it could be combined. The City will accept an identical agreement. Mr. Flickinger recommended keeping Lot 2 on the agenda and not approving the agreement until more is known about it. Director Zervigon so moved. Director Davies seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 15: Wholesale Water Contract with City of Cedar Park. Mr. Flickinger and Mr. Fry met with the City attorney and Public Works Director and the city representatives asked for some time to review the contracts. TCEQ granted an extension until December. No action is required at this time.

Director Rocco then called for Agenda Item 16: Director's Bond and Crime Shield Policy. Mr. Flickinger explained that Crime Shield is the new name for a policy the District has had for years. The coverage was raised a few years ago from \$500,000 to \$1 million. The current issue is how much

coverage the Board wants and the difference in the amount of the premium. No invoice will be sent until the amount of coverage is determined. Director Davies motioned to renew the policy subject to the Insurance Committee's approval. Director Rocco seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 17: TML Intergovernmental Risk Pool Board of Trustees Election – Ballot. Directors chose not to vote in the election.

Director Rocco then called for Agenda Item 18: Auditor's Engagement Letter. This was discussed under a previous agenda item.

Director Rocco then called for Agenda Item 19: Audit. This was discussed under a previous agenda item.

Director Rocco then called for Agenda Item 22: Report from the DRC and act on restrictive covenant enforcement. Director Davies reported that the DRC is going to reconsider a motion made at the committee meeting regarding clarification of violation notices.

Director Rocco then called for Agenda Item 23: Prior Judgment against Eric B. Nieneker in Cause No. 00-040-C277; in the 277th Judicial District Court of Williamson County. Mr. Flickinger said all the money has been received. Director Rocco has signed the partial release of judgment.

Director Rocco then called for Agenda Item 24: Report from the ACC. There was no report from the Lakeline Oaks ACC. Director Zervigon said the AMWNA met with PEC and walked the easement from Hatch Road to the other side of El Salido Parkway. Negotiations are in progress to clean the easement wall to wall and haul away debris. The Association is meeting tomorrow night and will discuss how to keep it clean. Homeowners own up to the center line of the easement, but many do not have gates leading into easement. He said a chain with two locks (one for STES and one for PEC) might be used on the gate.

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. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 26: Rules for enforcement of restrictive covenants that include fines and termination of services. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 27: Proposal for clarifications and revisions to the [Rules for Enforcement of Deed Restrictions](#). There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 28: Report from the District's landscape contractor and related action. There was no discussion on this agenda item.

Director Rocco then called for Agenda Item 29: Report from the Park Subcommittee regarding park improvements. The Parks Committee has not met yet.

Director Rocco then called for Agenda Item 30: All matters related to the District's parks, fields, and

office building. This was discussed under a previous agenda item.

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
- q) quarterly investment reports

Directives were reviewed as follows:

BOARD MEMBERS:

Current directives are complete with the exception of:

- Director Rocco has not yet received the strategic planning proposal
- No agreement or contract amendment with the City of Cedar Park is ready for signature

Prior meeting directives remain with the exception of:

- Director Davies is not going to go on another drive with STES

SUBCOMMITTEES:

Current directives are complete with the exception of:

- FIRE PROTECTION – Director Rocco will meet with Jollyville VFD

All prior meeting directives remain

ATTORNEY:

Current directives are complete; directives from prior meetings remain

ENGINEER:

Both prior meeting directives related to a structural engineer were reassigned to the Infrastructure

Committee

GENERAL MANAGER:

Current directives are complete with the exception of:

- Verbals were received from TDS and Allied to be available in the event of an emergency. No response has been received from Clawson. Referred to Solid Waste Committee
- The directive regarding a contract with the City should remain

Directives from prior meetings should remain with the following revisions:

- There was a defective part in the fall arrest system which has delayed completion of installation
- An updated report on the maintenance data base will be distributed at the next meeting
- The directive regarding the NW corner of El Salido & RM 620 can be removed
- Great Walls has not returned phone calls requesting time and material costs. Will attempt to obtain from other contractors
- The SWC meeting tomorrow, then meeting with WM on Monday.
- The political sign directive is complete
- A walk with the Parks Committee is still pending
- BBQ grills have been received and will be replaced before the next meeting
- A signed letter from the HG II resident has been received

The water loss from last month has corrected itself. There have not been any complaint calls about high usage or billing inconsistencies since STES recently terminated a meter reader. Mr. Fry believes the overall water loss is correct, but will continue monitoring.

Director Rocco then called for Agenda Item 31: Adjournment. The meeting was adjourned at 9:20 p.m.

Linda Garrett, Secretary
Board of Directors

Date: _____