

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

MUNICIPAL UTILITY DISTRICT NO. 1

October 18, 2006

THE STATE OF TEXAS §

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COUNTIES OF WILLIAMSON AND TRAVIS §

[Attachments for Minutes of October 18, 2007 in PDF format](#)

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 October 18, 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:

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|-----------------|---|-------------------------------|
| 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 and Kristi Hester with Severn Trent Services; Bill Flickinger with Willatt & Flickinger; Don Bayes with Gray-Jansing & Associates; CASE board members Joe Berkel with River Place MUD and Joy Smith with Wells Branch MUD; and District

residents Johnny Bridges, Caryn Mills, Cody Bailey, R. F. Stewart, and Beverly Zervigon.

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 September 15, 2006 and September 20, 2006 meetings*. On a motion by Director Zervigon, seconded by Director Rocco, the minutes of the September 15, 2006 special meeting were unanimously approved as written.

Director Zervigon moved to amend the minutes of the September 20, 2006 regular meeting by adding an explanation regarding approval to pay for the Crime Shield policy. Director Hardin seconded the motion. Following a discussion, Director Zervigon withdrew his amendment and the minutes were unanimously approved as written.

Director Rocco then called for Agenda Item 2: *Report from the District's engineer*. Mr. Bayes reported that the Capital One construction is on-going.

Fisher-Hagood Engineers has furnished plans for the tract of land behind Capital One together with a \$5,000 deposit.

Mr. Bayes received a call from Mark Frieze requesting information on the Terriville plat and instructed him to call Severn Trent for deposit and procedure information. STES has since given Mr. Frieze the information.

Director Rocco then called for Agenda Item 4: *Contract with District Engineer*. Following a discussion, Director Zervigon moved to revise the current contract with the District engineer by deleting paragraphs B, C, and D of Section 1 to limit exclusively to the Board the authority to authorize billable work by the engineer. Director Garrett seconded the motion, which passed unanimously.

Mr. Flickinger presented a resolution authorizing work done by the District engineer on matters that may arise between regular Board meetings within the limits of the resolution. On a motion by Director Zervigon, seconded by Director Garrett, the Board unanimously approved the resolution.

Agenda Item 20: *Payment to CASE for Lobbyist and presentation by CASE representative*. Director Zervigon then introduced CASE board members. Joe Berkel made a presentation regarding issues in the Austin area, the lobbyist retained by CASE, and the need for contributions from CASE members.

Director Rocco then called for Agenda Item 19: Receive citizen's communications. Mr. Stewart said that speeding on Old Mill Road has become a big concern. He said the average speed is 45 to 55 mph and more traffic enforcement is needed. Mr. Stewart has called the Williamson County Sheriff's Department several times requesting more enforcement, but nothing has been done. Director Zervigon stated that he has also observed the speeding. The Sheriff's Department has made comments to resident Johnny Bridges that they have only two officers to cover 225 square miles. Director Zervigon said the Board is working on a new contract for security in the District. Ms. Mills said speeding on El Salido is a big problem also.

Director Rocco then called for Agenda Item 3d: Security Issues and Vandalism. Director Zervigon has been in contact with Shawn Newsom with the traffic and control division of the Williamson County Sheriff's Department and said the estimated expense to have patrolled security in the District is \$31 per hour, including the vehicle. He referred to a contract Brushy Creek MUD has whereby officers work in four-hour blocks for an estimated of 180 hours per month. Director Zervigon suggested that the Management Committee consider the possibility of a similar contract calling for 90 hours per month. Director Davies questioned how the monitoring would be reported and Director Zervigon said he would investigate. On a motion by Director Rocco, seconded by Director Garrett, the Board voted unanimously to instruct the Management Committee to move forward in this regard. Director Davies suggested reviewing other contracts in addition to Brushy Creek's.

Mr. Fry then presented photos of graffiti in the District and asked for Board authorization to have Off The Wall remove the graffiti at an estimated cost of \$1,700. On a motion made by Director Zervigon and seconded by Director Davies, the Board voted unanimously to accept Off The Wall's proposal to remove the graffiti.

Director Rocco then called for Agenda Item 6: Request for Qualifications to Management Companies for Deed Restriction Enforcement. Director Zervigon asked that this item be placed on the agenda in response to the DRC meeting. He said Severn Trent's work regarding deed restrictions is not up to speed. He said this is the 21st year of the contract with Severn Trent and it has never been put out to bid so the Board does not know what alternatives there are. Director Zervigon recommended that the Management Committee begin to explore qualifications of other management companies to perform the deed restriction enforcement. Director Davies said he is not opposed to looking at other management companies, but is not concerned enough at this point to do so. Director Rocco stated that a Request for Qualifications (RFQ) could be sent out before a Request for Proposal (RFP). The RFQ would work to identify other companies qualified to do the work. Director Zervigon stated that it may be determined

that he is not convinced that anyone else can do a better job, and he is only concerned about the deed restriction enforcement portion of the contract. Director Davies discussed some of his concerns with the deed restriction enforcement management. Director Zervigon stated that it may be determined through the RFQ process that there are other companies qualified to enforce deed restrictions. He proposed consideration of the RFQ process for deed restriction enforcement only, explaining that the District's engineer could administer the RFQ process.

No motion was made at this time.

At 9:43 p.m., Director Rocco announced that the Board of Directors would now 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 5 (*Management Services Agreement and Deed Restriction Enforcement Management Services*), 10 (*Solid Waste Disposal Contract*), and 17 (*Director's Bond*).

At 10:16 p.m., Director Rocco announced that the Board of Directors had concluded its Executive Session and was returning to the open meeting. He said that no action was taken during the Executive Session.

Director Rocco then called for Agenda Item 7: *Repairs to District's CMU Fence*. Mr. Fry reported that no repairs are needed at this time.

Director Rocco then called for Agenda Item 8: *District Website*. Director Davies said that Mark Maxwell is doing a good job on the website.

Director Rocco then called for Agenda Item 9: *Fire Protection Services*. Director Rocco said he has not yet visited with the Jollyville Fire Department.

Director Rocco then called for Agenda Item 11: *District Depository, Bank Accounts*. Director Hardin said he met with Wells Fargo Bank but has nothing to report at this time.

Director Rocco then called for Agenda Item 12: *Amend Rate Order*. No action was taken on this agenda item.

Director Rocco then called for Agenda Item 13: *Strategic planning process*. Director Rocco reported that he sent an e-mail but has not received a response. This item should remain on the agenda.

Director Rocco then called for Agenda Item 14: *Emergency Response Plan and*

Vulnerability Assessment. Mr. Fry reported that Severn has made progress on the ERP but is waiting on the vulnerability assessment report to be provided by Kimmons Security. Director Davies said he understood from last month's minutes that nothing had been done on the ERP yet and requested a copy of whatever Severn Trent has prepared so far. Mr. Fry will forward him a copy of the report via secured e-mail. An e-mail has been received from Kimmons to set a date to visit the site to complete the VA.

Director Rocco then called for Agenda Item 15: *Procedures for authorization of expenditure of District funds for emergencies and for services of consultants.* This item can now be removed from the agenda.

Director Rocco then called for Agenda Item 16: *Water and Wastewater utility service to Lot 2 of Replat of Lot1 Blk B of Anderson Mill West Section Nine.* This item should remain on the agenda.

Director Rocco then called for Agenda Item 18: *Audit.* Mrs. Hester reported that field work on the audit is scheduled to begin the week of November 13th. Director Hardin requested a meeting at Severn Trent to review the District's books prior to the start of the audit. Director Zervigon requested that an Audit Committee be appointed to deal with any issues that may arise. Director Davies moved to appoint Directors Hardin and Rocco to the Audit Committee. Director Zervigon seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 19: *Amend Budget.* Mrs. Hester presented the amended budget for the 2007-2008 fiscal year, reducing fire protection fees from \$12.85 to \$6.42 and showing an overall net loss of \$193,866. Director Zervigon moved, Director Garrett seconded, and the Board voted unanimously to approve the amended budget for the 2007-2008 fiscal year as presented.

Director Rocco said he had a hard time understanding the comment on the bottom of the bill regarding reduction in fire protection fees and would like for it to be reworded. He will send a revised statement to STES for the bottom of the upcoming bill. Director Zervigon suggested information on fire protection fees remain on the bottom of the bill until the end of the year. This item can now be removed from agenda.

Director Rocco then called for Agenda Item 20: *Payment to CASE for lobbyist and presentation by CASE.* This item was tabled but should remain on the agenda.

Director Rocco then called for Agenda Item 22: *Report from DRC and act on restrictive covenant enforcement.* Director Davies reported that no residents attended the

committee meeting. Director Davies discussed the process and performance issues such as having Severn Trent take charge of the presentation of material. He said Severn Trent did not have the files or reports available and seemed to have problems with progress. Director Davies would like to see pictures along with a full report that can also be summarized. Mr. Fry stated the reports and files were at the meeting, but Director Davies said they were not the ones that address the specific issues. Director Rocco explained he would like to see historical information and feels it is critical to take action. Director Rocco would like for Severn Trent to get it done and wanted to know how long it would take. Director Davies said in the past he felt like the solution was new software, but it might not be. Mr. Fry sent information to the STES programmer but said due to changes to the Board he was not clear of what his role was. Director Zervigon explained that the directive on page 18 of the management packet states that the objective is to give visibility and progress. Director Zervigon would like to look at it as a living document to be revised from time to time. Director Davies would like to put focus on this. On a motion by Director Zervigon, seconded by Director Davies, the Board voted unanimously to approve the directive presented by the DRC to Severn Trent, attached hereto and to the list of directives.

Director Rocco then called for Agenda Item 23: Resolution on Appointing Deed Restriction Committee Members. Director Zervigon said the terms for both himself and Director Davies expire at same time he would like to change extend Director Davies' term an additional three months to end in January, 2007.

Director Rocco then called for Agenda Item 24: Appointment of Deed Restriction Committee Members. Director Zervigon moved to name Director Garrett to the DRC for a term ending April, 2007, and to extend Director Davies' term an additional three months ending January, 2007. Director Hardin seconded the motion which was approved unanimously.

Director Rocco then called for Agenda Item 25: Report from ACC. There was no ACC report.

Director Rocco then called for Agenda Item 26: Funding for and Interaction with Homeowners Associations within the District to facilitate operation of Architectural Control Committee and other HOA functions. Director Rocco said that AMWNA needs funds to renew its insurance. Progress has been toward fundraising. Director Hardin said the Board could release the fund balance of \$9,000 all at one time. Director Garrett moved that the Board find that enforcement of deed restrictions within the Anderson Mill West neighborhood is necessary to sustain taxable property values in the District, that the Board find that a distribution from the Anderson Mill West Neighborhood

Association's share of the District's Beautification Fund in the amount of \$1,100 to that Association will facilitate enforcement of deed restrictions in the Anderson Mill West neighborhood and that the Board authorize the disbursement of \$1,100 to that Association from the District's Beautification Fund, provided a written accounting of how the funds were spent is sent by the Association to the District's General Manager within 30 days of each expenditure. Director Davies seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 27 & 28: *Rules for enforcement of restrictive covenants that include fines and termination of services and Proposal; for clarifications and revisions to the Rules for Enforcement of Deed Restrictions*. The Board then discussed several issues related to deed restriction enforcement, including simplifying enforcement and the possibility of turning enforcement over to the individual ACCs. Director Hardin said the history of deed restriction enforcement has gone from no enforcement to excessive enforcement. He said if the Board chooses to go back to no enforcement, the entire District would suffer. Director Rocco feels a universal system could be devised that would work and would give ACCs the authority to make decisions. Director Davies said he is concerned that uniformity could become an issue in that situation.

Director Rocco then called for Agenda Item 29: *Report from District's landscaper contractor and related items*. There was no discussion under this agenda item.

Director Rocco then called for Agenda Item 30: *Report from Parks Subcommittee regarding park improvements*. There was no discussion under this agenda item.

Director Rocco then called for Agenda Item 10: *Solid Waste Disposal Contract*. The Board discussed the letter received from Waste Management's attorney demanding payment of the fines totaling \$8,850 which have been deducted from past WM invoices along with an additional \$200 which was deducted from the current invoice. Director Davies moved to cut a check to Waste Management in the amount of \$9,050. Director Garrett seconded the motion, which passed unanimously. The check will be given to Mr. Flickinger.

Director Rocco then called for Agenda Item 17: *Director's Bond*. No action was taken on this agenda item.

Director Rocco then called for Agenda Item 5: *Management Services Agreement and Deed Restriction Enforcement Agreement with Severn Trent Environmental Services, Inc.* Director Zervigon said the contract with Severn Trent does not specifically list items

related to routine and non-routine operations. He asked that Severn Trent be directed to provide a list of routine items covered in the base fee. He also asked that Severn Trent produce a preventive maintenance list as required by the contract and meet with the Infrastructure Committee to review the progress. Director Garrett moved to have Severn Trent provide a list of routine maintenance items covered under the base fee and as well as any upcoming and/or normal items not included in the base fee; and meet with the Infrastructure Committee to review progress of the preventive maintenance system, including park maintenance. Director Zervigon seconded the motion, which passed unanimously.

Director Davies then moved to investigate and perhaps issue a Request for Qualifications to determine what resources may exist for deed restriction enforcement. Director Zervigon seconded the motion, which passed unanimously.

Director Rocco then called for Agenda Item 3: *Report from District's Manager and Affected Persons, including payment of bills and invoices and transfer of funds.* Mrs. Hester reviewed the bills and invoices portion of the financials. On a motion made by Director Zervigon and seconded by Director Rocco, the Board unanimously approved checks #7650 – #7679 totaling \$214,315.10 with corrections to check #7677 payable to Severn Trent and #7656 payable to Waste Management.

Mrs. Hester then presented the Quarterly Investment Report. Director Hardin said corrections need to be made to the report and asked that this item be left on the agenda for the November meeting.

Mr. Fry reported that the fire hydrant and manhole surveys are complete. There are some repairs that need to be done, but none of them present a safety hazard at this time. Recommendations for repairs will be referred to the Infrastructure Committee.

Mr. Fry also said he received a letter from a District resident requesting an adjustment for a water leak. He will notify the resident that no adjustment will be forthcoming, but payment arrangements can be made.

Severn Trent will continue to enforce the Waste Management contract but will not deduct fines from their invoice. Director Davies said he would like to see a standard set for documentation back-up and supporting evidence.

Mr. Fry said that he has a meeting set for Friday, October 20 at 10:00 a.m. with Linda Dunbar of TML to review the insurance coverage as it pertains to fire hydrants and nightwatchman lights that have been damaged. The Insurance Committee was invited to

attend. He then recommended scheduling set dates for subcommittees to meet at each Board meeting. The Infrastructure Committee will meet on Friday, November 10, at Severn Trent.

Director Rocco then called for Agenda Item 32: Adjournment. The meeting was adjourned at 11:25 p.m.

Linda Garrett, Secretary

Board of Directors

Date: _____

Proposed Directive to STES: Approved by Board at meeting on 10/18/2006

Subject: STES to prepare a plan for changes and improvements in the Deed Restriction enforcement process.

STES is directed to prepare and submit a plan to the MUD Board for changes in the Deed Restriction enforcement process in order to:

- Improve the Board's ability to manage the process
- Recognize and respect the rights of residents.
- Achieve the goals of Deed Restriction Enforcement while improving the relationship of the enforcement authority and the residents.
- Provide tools to STES and the MUD for better insight into the types of violations issued and the details surrounding them.

The plan shall incorporate changes and improvements requested heretofore by the Deed Restriction of the Board and the MUD Board including:

1) Software: Modification or replacement of the STES Deed Restriction enforcement software to provide the functionality requested in the March 6, 2006 E-mail from Steve Davies to Bill Fry, a copy of which is attached, and the subsequent additional features discussed in Deed Restriction Committee meetings, including:

- September 13, 2006: Use of the CHK BOD data field to track cases sent to the ACC for action or response.
- September 13, 2006: Develop a way to incorporate the photographs into the reports. Davies suggested a possible software package could be "ACDSee" or similar to permit linking low

resolution photographs to the reports

2) Violation Notices: Modifications to the DRE Violation letters based on the July 19, 2006 *“Proposal for the clarifications and revisions to the Rules for the Enforcement of Deed Restrictions”* and the associated critiques of the Violation Letters, accepted by the Board at the July meeting as a Study Paper.

3) ACC clarifications and decisions of the Deed Restriction Committee: Clarifications that reflect ACC interpretations of the Deed Restrictions and decisions of the MUD Deed Restriction Committee should be readily available to the Residents. They should be available in written form and posted on the MUD Web site as are the Deed Restrictions.

In addition the plan should include consideration of the following:

1) Developing and posting a summary of the Rules for enforcement of Deed Restrictions with specific attention to explaining the concept Major and Minor Violations and the concept of fines based on the accumulation of violations.

2) Developing a FAQ list regarding the enforcement of Deed Restrictions for posting on the MUD Web Site. An example is the Houston FAQ presentation at:

www.houston.gov/legal/dr-faq.html

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