

Director Zervigon then moved to:

- 1) Reject the bid by Tomek Construction Services, and
- 2) Instruct GJA to
 - contact each company that attended the pre-bid conference to see why they did not submit a bid,
 - call others and make a proactive effort to get bidders, and
 - work with Mr. Flickinger to revise some of the bid terms to deal with issues that have arisen in a way that affects the District's legal obligations.

Director Garrett seconded the motion, which passed unanimously. Mr. Flickinger will contact Mr. Lineger to update him

NOTE: This motion was later rescinded by action of the Board later in the meeting. See Page 3 of these minutes.

Director Rocco then called for Agenda Item 3: *Report from the District's landscape contractor on landscape maintenance and suggested landscape improvements.* The front flower bed has been reworked and all mulching has been completed. Some boulders were changed out for a larger size along Anderson Mill. Maintenance of the Volente Hills Park has been added to the schedule.

Director Hardin asked if any progress had been made in determining ways to encourage residents to conserve water. Following a discussion, Mr. Vinella suggested putting a plant and turf library on the website listing drought-resistant plants and turfs that do well in the area, possibly with a link to pictures. The Parks Committee will work with Mr. Vinella in this regard. STES was directed to put a recommended watering schedule on the bottom of the next bills.

Director Rocco then called for Agenda Item 16: *Proposal for swimming pool facility in the District – Community Outreach Program – Resident Survey.* Mr. Halper, Ms. Jamail, and Mr. Batrouni were at the meeting to express their opposition to building a swimming pool in the District. Ms. Foster said several Volente Hills residents asked her to attend the meeting to obtain an update on the trend of the Opinion Forms. Directors will not receive a report from Treasure of the Hills until the final count has been done. Director Zervigon will contact TOTH to make sure they do not divulge information to anyone who contacts them. He enumerated the various methods used to notify residents of the Opinion Form. On a motion by Director Garrett, seconded by Director Zervigon, the Board voted unanimously not to include Opinion Forms in a third billing cycle.

Director Rocco then called for Agenda Item 5: *Report from the DRC and act on restrictive covenant enforcement.* Ms. Colby reviewed issues cited on the most recent drive. At Ms. Foster's request, Ms. Colby will e-mail two of the Volente Hills ACC members to remind them of the next DRC meeting.

Director Rocco then called for Agenda Item 6: *Authorization of lawsuit against Brandon Finnegan for deed restriction violations.* No action was taken under this agenda item.

Director Rocco then called for Agenda Item 7: *Approval of DRC Minutes by Deed Restriction Committee Members.* The minutes were approved.

Director Rocco then called for Agenda Item 8: *Appointment of Member to DRC to replace Robert Kenny whose term expires July 15, 2009.* Director Kenny was reappointed to serve through January 20, 2010.

Director Rocco then called for Agenda Item 9: Reports from ACCs. Ms. Foster briefly reviewed ACC issues in Volente Hills.

Director Rocco then called for Agenda Item 10: Funding for and interaction with homeowners associations within the District to facilitate operation of Architectural Control Committee and other HOA functions. Director Rocco said the City of Cedar Park has moved National Night Out to October due to the heat.

Director Rocco then called for Agenda Item 11: Rules for enforcement of restrictive covenants that include fines and termination of services. It was determined that RealManage will not do a special ride to check for homes that need to be painted.

Mr. Bayes entered the meeting at this time.

Director Rocco returned to Agenda Item 2b: Engineer's recommendation and award of contract for CMU wall in Lakeline Oaks adjacent to Independent Living Facility owned by Lakeline Oaks Retirement, LLC. Mr. Bayes explained that the bid was advertised as required. He also contacted several potential bidders. Two bidders attended the pre-bid conference and two others called saying they could not attend the conference but were going to submit bids. Mr. Bayes said he doesn't know why they did not bid. Mr. Bayes noted that the bid is good for 60 days so that the Board could defer action pending further study before the August Board meeting.

Director Zervigon then moved to give the Infrastructure Committee the authority to work with the District's engineer and attorney and report recommendations back to the Board at the August meeting. Director Rocco seconded the motion, which passed unanimously.

Director Zervigon moved to rescind his previous motion to reject the bid for the CMU wall in Lakeline Oaks (see page 1, Agenda Item 2b). Director Rocco seconded the motion which passed unanimously.

Director Zervigon then moved to hold the bid for the CMU wall in abeyance. Director Rocco seconded the motion which passed unanimously.

Director Rocco then called for Agenda Item 4: Report from District's Manager and Affected Persons, including payment of bills and invoices and transfer of funds.

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| a) Review and discussion of pending Board directives to Manager, attorneys, Board members and subcommittees | i) Customer and resident complaints |
| b) Committee reports | j) Adjustment of delinquent accounts |
| c) Water and wastewater system report | k) Builder and aged receivables |
| d) Security measures for the water system | l) Collection of delinquent property taxes |
| e) Review changes made to Standard Operating Procedures (SOP) Manual | m) Quarterly investment reports |
| f) Detention pond and related issues | n) Bill payment report |
| g) Preventative maintenance program | o) Financials |
| h) Billing report | p) Solid waste collection & disposal service |
| | q) District patrols |
| | r) Manhole cleanout/maintenance |
| | s) Stormwater Management Plan |

Committee reports were discussed as follows:

Parks Committee:

Director Rocco moved to pay a resident \$25 to lock up the building after functions and \$25 per hour to do night drives and check street lights. Director Hardin seconded the motion. The Parks Committee will work with Mr. Flickinger on any liability issues and the scope of work. Mr. Flickinger will then draw up a contract. The Website Committee will post an ad on the website once details have been worked out. The motion carried unanimously.

The Committee recommended that anyone wanting to teach on the District's courts have a USTA certificate. STES is investigating software so residents can make reservations online. Mr. Flickinger will modify the park rules and STES will change the signage accordingly.

On a motion by Director Hardin, seconded by Director Garrett, the Board voted unanimously to approve the following recommendations:

- Install lighting behind the Anderson Mill West tennis courts at a cost of \$970;
- Install steel casing over the electronic pad at both tennis courts at a cost of \$860; and
- Replace the customized doors at the Anderson Mill West restrooms at a cost of \$2,224.

STES presented an estimate of \$6,400 to repair the light by the parking lot in Lakeline Oaks and was asked to obtain additional estimates.

All committees should put together a wish list and submit it to the Budget Committee.

Installing tiles at the storm inlets would make a good boy scout project.

Insurance Committee:

The Insurance Committee sent a memo to ANCO Wessendorff but has not received a response. The Committee recommended continuing coverage through TML.

Audit Committee:

Directors Hardin and Rocco have been doing due diligence. They have sent a list of numerous concerns and questions to Mr. McCall but have not yet received a response.

Directives were reviewed and are attached.

Director Hardin moved to have STES reconcile bank statements and notify the bank and the Board of any error before 30 days from the date on the bank statement and to make this procedure a part of the Accounting SOP. Director Rocco seconded the motion, which passed unanimously.

Director Hardin reported regarding the District depository agreement with Compass Bank. He asked Ms. Hester to bring new signature cards for all Compass accounts to the August meeting.

Mr. Flickinger said Kendra Pratt has not gotten back with him with answers to his questions. Ms. Hester will contact Ms. Pratt.

Ms. Hester then reviewed the June operations, maintenance, and financial transactions of the District.

On a motion by Director Kenny seconded by Director Rocco, the Board unanimously approved payment of invoices totaling \$218,773.06 and ratified bills paid out of the Manager's account.

Director Rocco then called for Agenda Item 12: *Report from the Park Subcommittee regarding park improvements*. This was discussed under Agenda Item 4b as part of the Park Committee's report.

Director Rocco then called for Agenda Item 13: *All matters related to the District's parks, fields, and office building*. No action was taken under this agenda item.

Director Rocco then called for Agenda Item 14: *Use of tennis courts for business purposes and time limits; Tennis Court Rules; Park Rules*. This was discussed under Agenda Item 4b as part of the Park Committee's report.

Director Rocco then called for Agenda Item 15: *Sherry Rhoden's request to the Board at prior board meeting that it consider her usage of the LLO tennis courts for tennis lessons as permissible*. This was discussed under Agenda Item 4b as part of the Park Committee's report.

Director Rocco then called for Agenda Item 17: *Fencing Adjacent to Volente Park – Eric Bindock Property*. No action was taken on this agenda item.

Director Rocco then called for Agenda Item 18: *Water Conservation Measures*. This was discussed under Agenda Item 3 as part of the District Landscaper's report.

Director Rocco then called for Agenda Item 19: *Newsletter and District Website*. Director Garrett reported items are being posted daily and the search feature is working.

Director Rocco then called for Agenda Item 20: *District depository, bank accounts*. This was discussed under Agenda Item 4b as part of the Audit Committee's report.

Director Rocco then called for Agenda Item 21: *Annual Audit*. This was discussed under Agenda Item 4b as part of the Audit Committee's report.

Director Rocco then called for Agenda Item 22: *Auditor Engagement Letter – For Audit of Fiscal Year Ending September 30, 2009*. Ms. Hester has received an Audit Engagement Letter from McCall. She will send a scanned copy to the Audit Committee.

Director Rocco then called for Agenda Item 23: *Management Contract with STES*. No action was taken under this agenda item.

Director Rocco then called for Agenda Item 24: *District Insurance – Proposal by Anco McDonald for coverage including but not limited to supplemental sewer backup, crime shield coverage, and liability*. This was discussed under Agenda Item 4b as part of the Insurance Committee's report.

Director Rocco then called for Agenda Item 25: *Policy for Capitalization and Depreciation of District Assets*. No action was taken under this agenda item.

Director Rocco then called for Agenda Items 26: *Proposal for Strategic planning services and Annexation of District by City of Cedar Park*. No action was taken under this agenda item.

Director Rocco then called for Agenda Items 27: *Annexation Report(s) Prepared by Ray Associates, Inc*. Mr. Flickinger reported directors have been sent the final first report from the District's annexation consultant and that nothing contained in the report is confidential. Director Kenny moved to make the final first report available to the public. Director Zervigon seconded the motion which passed unanimously.

Mr. Flickinger said the second report contains information that should not be made public.

Director Rocco then called for Agenda Item 28: *Rate Order*. No action was taken under this agenda item.

Director Rocco then called for Agenda Item 29: *District's Service Agreement, Delinquent Notice and Rules and Regulations for Water and Wastewater Service*. No action was taken under this agenda item.

Director Rocco then called for Agenda Item 30: *Amend Budget*. No action was taken under this agenda item.

Director Rocco then called for Agenda Item 31: *City of Cedar Park's proposed rezoning of tract adjacent northeast of the Lakeline Park*. No action was taken under this agenda item.

Director Rocco then called for Agenda Item 32: *Termination of Current Electronic Check Payment Processing Agreement with Official Payments Corporation and Agenda Item 33: Proposed Lock Box and Electronic Payment Service Agreement with Compass Bank*. Ms. Hester reported that the District is scheduled to be included in the next roll-out in two months. Mr. Flickinger is still waiting to hear back from Ms. Pratt.

Director Rocco then returned to Agenda Item 19: *Newsletter and District Website*. Director Kenny moved to allow the website developer to bill three hours per month and to authorize the Website Committee to approve up to an additional three hours per month as needed. Director Garrett seconded the motion which passed unanimously.

Director Rocco then returned to Agenda Item 4q: *District Patrols*. Director Zervigon moved to authorize the Security Committee to begin negotiations with the Williamson County Sheriff for supplemental security coverage between 2:00 p.m. and 6:00 p.m. Director Garrett seconded the motion which passed unanimously. Director Rocco appointed Director Zervigon to serve as an ad hoc member of the Security Committee and work with Director Kenny on this issue. A proposal will be brought back to the Board.

Director Rocco called for Agenda Item 34: *Minutes from the June 9, 2009 regular meeting*. On a motion by Director Zervigon, seconded by Director Garrett, the minutes of the June 9, 2009 regular meeting were unanimously approved with the following correction:

Page 2, Agenda Item 4q: *District patrols* should read "The deputies acknowledged that, except for their being in the District in connection with their official duties outside of this contract, their work schedule precludes their patrolling during the 2:00 p.m. – 6:00 p.m. period desired by the Board".

Director Rocco then called for Agenda Item 35: *Reconsideration of Minutes previously approved with oral revisions*. There were no minutes up for reconsideration.

Director Rocco then called for Agenda Item 36: *Adjournment*. The meeting was adjourned at 9:35 p.m.

Linda Garrett, Secretary
Board of Directors

Date: _____

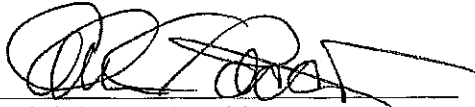
**APPOINTMENT OF MEMBER OF
DEED RESTRICTION COMMITTEE
WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY
DISTRICT NO. 1**

STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
AND WILLIAMSON §

WHEREAS, Robert Kenny's current term of service on the Deed Restriction Committee will end on July 15, 2009 and it is necessary to appoint a replacement Director.

NOW, THEREFORE, Chris Rocco, as President of the Board of Directors, hereby appoints Robert Kenny to replace Robert Kenny on the Deed Restriction Committee for a term of six months beginning on July 16, 2009 and ending on January 20, 2010.

SIGNED to be effective July 15, 2009.

By: 
Chris Rocco, President
Board of Directors