

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
HELD JOINTLY WITH A REGULAR MEETING OF DEED RESTRICTION COMMITTEE
OF WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1

February 14, 2022

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

A special meeting of the Board of Directors of Williamson-Travis Counties Municipal Utility District No. 1 was held jointly with a regular meeting of Deed Restriction Committee of Williamson-Travis Counties Municipal Utility District No. 1 at 6:30 p.m. on February 14, 2022, 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.

Board President Catherine Franke called the meeting to order at 6:30 p.m. and a roll call of the Directors was taken. The Directors present were:

Catherine Franke	–	President
Art Medrano	–	Vice President
Linda Fabre	–	Secretary
Megan Dudo	–	Assistant Secretary/Treasurer
Beth Jones	–	Assistant Secretary/Treasurer

thus constituting a quorum. All Directors were present.

Also present were Bill Flickinger and Allison Nix of Willatt & Flickinger, PLLC, James and Diana Sagnes of Sage Management Services, Makenzi Scales and Michael Luft of Inframark, Jimmy Romell of Maxwell Locke & Ritter, David Klein and Maris Chambers of Lloyd Gosselink, Zac Evans and Suzanne McCalla of McGinnis Lochridge, and District residents Gerald Burgess, Shannon Baur, Rose Green, David and Tina Flores, Tracy Brister and Ryan Hale.

1. PUBLIC COMMENTS

Tracy Brister requested her fine for overnight parking be waived. Dir. Franke directed Sage Management to look into it and the matter will be taken up at the next DRC meeting.

Rose Green made a public comment.

Gerald Burgess made a public comment.

David Flores made a public comment.

Ryan Hale requested a waiver on his fine for trash cans in view. Dir. Franke said this will be handled at the DRC level and instructed Inframark to make sure he does not get on the disconnect list.

2. DISTRICT'S ANNUAL AUDIT BY MAXWELL LOCKE & RITTER

Jimmy Romell presented the District's audit for fiscal year ended September 30, 2021. One number is not yet finalized and they are working with Inframark to obtain the final number. Approval of the audit would be pending that final amount before it is submitted and filed with the TCEQ. Mr. Romell reported he met with the Audit Committee last week to review the audit in detail. The District received an unmodified, clean opinion. They still need the final number for the beautification fund projects, but the total number will not change. Mr. Romell noted the debt service fund decreased by \$69,000 because the District is paying down debt and has two years before bond debt is paid off. There are no new accounting or auditing standards this year. Mr. Romell said the District has strong tax collections and collected just under 99%. There were no significant audit adjustments or disagreements. Dir. Fabre clarified for the public that the auditor does not look for appropriateness of spending by the Board and is not hired to detect fraud or waste of public funds. Mr. Romell confirmed they do not look at all transactions but look at transactions at a higher level with an analytical approach. Bill Flickinger commented that one number still needs to be confirmed and the deadline to file with the TCEQ is today, so it will be a little late. Dir. Franke suggested final approval come from the Audit Committee.

Motion: Approval of the audit prepared by Maxwell Locke & Ritter subject to insertion of the beautification fund projects number and amount of revenue collected from deed restriction enforcement fines.

Motion by: Dir. Fabre
Second by: Dir. Dudo

Aye: Dir. Dudo
Dir. Fabre
Dir. Franke
Dir. Jones
Dir. Medrano

3. INTERVIEW OF CANDIDATES RESPONDING TO RFQ FOR GENERAL COUNSEL

Dir. Jones will keep the time and give each Director a chance to ask two questions.

David Klein introduced himself as a partner at Lloyd Gosselink and introduced his colleague, attorney Maris Chambers. She has worked on district-related work and regulatory agencies for nearly five years, and he has done so for over 15 years. Mr. Klein came from the

TCEQ and has experience working with all kinds of districts. Each Director then, in turn, asked Mr. Klein and Ms. Chambers interview questions, and they provided responses.

Zac Evans provided copies of his proposed legal services agreement and conflict of interest waiver to the Board. He said if he is chosen as general counsel, he asks that the Board and Sage Management execute the waiver. Since he previously was engaged by Sage Management to work on their contract with the District, he would recuse himself if the need to negotiate Sage Management's contract arises in the future. Each Director then, in turn, asked Mr. Evans interview questions, and Mr. Evans provided responses. He then added that he has an obligation on Wednesday night, so he would not be able to attend the next meeting if selected as new counsel.

4. SELECTION OF NEW GENERAL COUNSEL

Dir. Fabre went through the scoring criteria. The Directors discussed their opinions in detail.

Motion: Engage with David Klein and his firm to represent the District as general counsel.

Motion by: Dir. Fabre
Second by: Dir. Medrano

Aye: Dir. Fabre
Dir. Medrano

No: Dir. Dudo
Dir. Franke
Dir. Jones

Motion: Engage the services of McGinnis Lochridge to represent the District as general counsel.

Motion by: Dir. Franke
Second by: Dir. Jones

Aye: Dir. Dudo
Dir. Franke
Dir. Jones
Dir. Medrano

No: Dir. Fabre

5. LEGAL SERVICES AGREEMENT WITH NEW GENERAL COUNSEL AND ANY NEEDED CONFLICT WAIVERS

Bill Flickinger stated he has not seen the documents. He outlined the transition process to new general counsel. Mr. Flickinger said he has no new projects, the outstanding meeting minutes will be completed, and there are two active open records requests to be processed. He suggests all other work be stopped. There was discussion about transfer of physical and digital files to McGinnis Lockridge.

Motion: **Approve execution of the engagement letter from McGinnis Lochridge and the waiver for potential conflicts of interest.**

Motion by: Dir. Franke
Second by: Dir. Dudo

Aye: Dir. Dudo
 Dir. Franke
 Dir. Jones
 Dir. Medrano

No: Dir. Fabre

6. TERMINATION OF LEGAL SERVICES AGREEMENT WITH CURRENT GENERAL COUNSEL, WILLATT & FLICKINGER, PLLC

Mr. Flickinger stated there is no document needed to terminate services from his firm.

Motion: **Terminate legal services agreement with Willatt & Flickinger, PLLC effective after February 28, 2022 and authorize Willatt & Flickinger, PLLC to continue working on transfer of files to the new attorney, processing open records requests and drafting outstanding meeting minutes.**

Motion by: Dir. Franke
Second by: Dir. Jones

Aye: Dir. Dudo
 Dir. Franke
 Dir. Jones

No: Dir. Medrano

Abstain: Dir. Fabre

7. MANAGEMENT REPORT FROM SAGE MANAGEMENT SERVICES

Diana Sagnes said after the January cold fronts and strong winds, reports were received of downed fences, gates, tree limbs and open storage, and the details were discussed with the

committee. There are more photos in their tour report than the number of letters sent to residents. Complaints were checked, not all merited a letter but they followed up and included pictures in their report. Ms. Sagnes said they will not be discussing individual violations in open session. Appeals are reviewed at committee level and resident appeals are responded to within seven days after committee review. Ongoing violations escalated to legal counsel will be reviewed with the new attorney at committee level before being brought to the Board.

Dir. Fabre asked Jimmy Sagnes if he charges travel time when called out for follow-ups. Diana Sagnes said travel time is not included, but there is associated administrative work that takes time. Dir. Fabre asked if the resident letters are uploaded yet, and Ms. Sagnes said they were added but were not viewable and she did not have time to fix it.

Motion: Hold Sage Management's check until they perform in accordance with their contract.

Motion by: Dir. Fabre

Dir. Fabre said that if she cannot see the letters, Sage Management has not done its basic services. Ms. Sagnes said the committee has seen them. There was no further action on the motion.

Motion: Sage Management discontinues the practice of seeking personal information about constituent activity on private property in connection with pods and dumpsters.

Motion by: Dir. Fabre

Dir. Fabre said making personal information notes on why residents are using pods and dumpsters is not necessary for enforcing the ACC ruling. There was no further action on the motion.

Dir. Fabre discussed Sage Management's report of trashcans in the street, which are not violations.

Motion: Sage Management discontinues the practice of noting trashcans in the street as a violation until the new attorney can confirm whether the District has statutory authority to enforce on Williamson County streets.

Motion by: Dir. Fabre

Dir. Fabre asked Mr. Flickinger if the MUD can enforce items left in the street. Mr. Flickinger replied that if a restriction is written in a certain way, it can, like overnight parking restrictions. Dir. Fabre discussed her reports of violations that are not being addressed and misinformation on the District's website on dog barking nuisances.

Motion: **Removal of the \$150 fine for the visible trashcan violation on Brighton Bend to abide by the District Rules regarding six-month infractions.**

Motion by: Dir. Fabre

Dir. Fabre said the clock starts over after six months and the resident should have only received a friendly letter. Dir. Franke is taking it to the committee level for interpretation of the process and will review it with new counsel.

8. MINUTES FROM PRIOR DRC MEETINGS

The November and December DRC meeting minutes were included in the agenda package. Dir. Fabre sent an email with corrections on the draft December DRC minutes and the May 19, 2021 meeting minutes, which have already been approved by the Board.

Motion: **Approval of the December DRC meeting minutes with Dir. Fabre's noted corrections.**

Motion by: Dir. Medrano

The other Directors have not read the minutes, so consideration will be tabled.

9. DEED RESTRICTION ENFORCEMENT ACTIONS PENDING WITH DISTRICT'S ATTORNEY AND AUTHORIZATION FOR DISTRICT'S ATTORNEY TO PROCEED WITH ADDITIONAL DEED RESTRICTION ENFORCEMENT ACTIONS

Bill Flickinger said no action is needed at this time. The London Lane lawsuit is stalled in settlement negotiations. The Tierra Blanco lawsuit has concluded, and the constables are working on serving writs to the homeowner. Mr. Flickinger has not been instructed to take any action on the Birch Drive issues.

10. FUTURE BOARD MEETINGS – SCHEDULE AND SCOPE OF AGENDAS

Attorney Bill Flickinger's last meeting is February 16th, and things will move quickly in March with new counsel. The Board was asked to note projects to be addressed with new counsel. The transition is an opportunity to review records retention rules and address old District records. Dir. Medrano said records should be put on Google Drive to use as a tool.

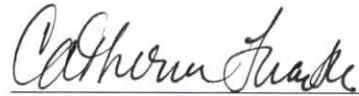
11. ADJOURN

Motion: **Adjournment of meeting at 9:12 p.m.**

Motion by: Dir. Medrano
Second by: Dir. Franke

Aye: Dir. Dudo

Dir. Fabre
Dir. Franke
Dir. Jones
Dir. Medrano



President, Board of Directors
Williamson-Travis Counties Municipal
Utility District No. 1

ATTEST:



Secretary, Board of Directors
Williamson-Travis Counties Municipal
Utility District No. 1

[DISTRICT SEAL]

