

MINUTES OF MEETING OF THE BOARD OF DIRECTORS
OF WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT #1

January 27, 2021

STATE OF TEXAS

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COUNTIES OF WILLIAMSON AND TRAVIS

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A special meeting of the Board of Directors of Williamson-Travis Counties Municipal Utility District No. 1 was held at 6:00 p.m. on January 27, 2021 by remote access only in accordance with the March 16, 2020 Order by Governor Abbott temporarily suspending certain requirements of the Texas Open Meetings Act to advance the goal of limiting face-to-face meetings to slow the spread of COVID-19. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act and as modified by the Governor's Order.

The meeting was called to order at 6:07 p.m. and roll was called of the members of the Board, to-wit:

Catherine Franke	-	President
Art Medrano	-	Vice President
Linda Fabre	-	Secretary
Megan Dudo	-	Assistant Secretary/Treasurer
Elizabeth Jones	-	Assistant Secretary/Treasurer

All Directors were present, thus constituting a quorum. Also attending the meeting were Kristi Hester, Michael Luft, Makenzi Scales, and Leigh Catlin of Inframark; Bill Flickinger of Willatt & Flickinger; James and Diana Sagnes of Sage Management; and District residents Gerald Burgess, Usha Divi, David Flores, Sarah Teale, Karen Wallace, Matthew Whittington, and Cindy (no last name given).

Agenda Item 1: Public Comments

- Sarah Teale addressed the Board with a public comment. She says she will no longer make public comments because she feels that her input is not listened to or valued.
- David Flores addressed the Board with a public comment. He believes a new Board should be elected and new vendors appointed.
- Gerald Burgess addressed the Board with a public comment. He discussed correspondence he had received from John Bucey's office regarding a refusal of local authorities to take legal action against Sage Management. He does not think Board meetings should be used as trials.

Mr. Burgess addressed the Board regarding Agenda Item 4. He said that the Audit Committee is not responsible for performing internal audits of MUD operations, including looking for fraud.

Mr. Burgess addressed the Board regarding Agenda Item 5. After discovering a mistake on an invoice, he asked why the vendor was not contacted to send a corrected invoice rather than being shamed at a public meeting.

Mr. Burgess addressed the Board regarding Agenda Item 15. He said that the collection of fines is not dependent on whether or not every violation was cited, comparing it to drivers running stop signs where some drivers receive tickets but others do not.

- Dir. Franke closed the public comments portion of the meeting.

- Mr. Flickinger addressed the Board with recommendations prior to beginning the meeting, as there are several new board members. He noted that he represents the District, a political subdivision separate from the Board or residents. The Board manages the District and makes decisions for the District by voting. After a vote is adopted, it is a District decision, and that is what he is obligated to protect and honor. Board members also need to protect and honor those decisions as they are District decisions. Board members can criticize but should not undermine decisions or endanger the District's interests or liability.

Mr. Flickinger recommended that Board members and consultants refrain from identifying residents by name or exact address and not discuss family, personal, or health situations unless necessary to make a decision.

Board members should not make statements to challenge lawsuits or expose liability. Board members should not coach people on how to win lawsuits or make claims against the District; if this occurs, Mr. Flickinger must act to protect the interests of the District.

Finally, Mr. Flickinger said that Directors should respect each other and conduct an orderly meeting. Board members can disagree or have discussions but need to be respectful to one another.

- No action was taken on this item.

Agenda Item 2: *Report from the District's landscape contractor on landscape maintenance and suggested landscape improvements*

- No action was taken on this item.

Dir. Franke announced that the Board of Directors will go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item 11 and Agenda Item 20. The Board went into closed session at 6:22 p.m.

At 7:08 p.m., Dir. Franke announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

Dir. Franke announced that the Board of Directors will go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item 15, Agenda Item 16, Agenda Item 17, Agenda Item 18, and Agenda Item 19. The Board went into closed session at 7:09 p.m.

At 8:48 p.m., Dir. Franke announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

Agenda Item 3: *Report from the Parks Subcommittee*

- Dir. Dudo said that she is hoping for a meeting with Verdunity in February. She additionally intends to present proposals from arborists regarding tree health at District parks.
- No action was taken on this item.

Agenda Item 4: *Report from the Audit Committee*

- Dir. Fabre had asked to have this item on the agenda but has decided to delay her statements until the audit meeting.
- Dir. Franke asked how the audit would be done via Zoom; Mr. Flickinger said a digital copy of the audit will be provided prior to the meeting.
- No action was taken on this item.

Agenda Item 5: Report from the Bills & Invoices Committee

- Dir. Dudo presented a draft form for Director *per diems*.
- Mr. Flickinger noted that there was no field to submit expenses or to add reimbursement expenses. Additionally, if a Director attends a Board meeting (regular or special), the participant and topic fields are not necessary. He discussed mileage and reimbursement with the Board.
- Mr. Flickinger and the Board discussed what fields would be helpful to add for Mr. Luft to be able to track, e.g. a check number column.
- **Motion: Make the discussed changes to the Director *per diem* form and begin using it.**

Motion by: Dir. Fabre

Second by: Dir. Medrano

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

- Dir. Fabre presented a slideshow on appropriate billing and invoicing and responsibilities for public officials.
- Ms. Scales discussed payment of Jani-King invoices. Although parks opened on November 16, the invoice reflected a full month and so was not paid; current invoices are partial rates for November, the full month of December, and for January 1-7. Cleaning will resume on February 1. The current total due is \$2,514.27. Ms. Scales will seek quotes from alternate cleaning services and procure an updated proposal from Jani-King.
- **Motion: Pay Jani-King invoices in the amount of \$2,514.27 for service between November 16, 2020 and January 7, 2021.**

Motion by: Dir. Dudo

Second by: Dir. Franke

Dir. Franke asked if a check would be issued immediately or at the next meeting; Ms. Scales said it would be paid immediately out of the manager's account as payments are behind.

- **Amended Motion: Pay Jani-King invoices in the amount of \$2,514.27 for service between November 16, 2020 and January 7, 2021 from the manager's account.**

Motion by: Dir. Dudo

Second by: Dir. Franke

Aye: Dir. Dudo
Dir. Fabre

Dir. Franke
Dir. Jones
Dir. Medrano

Dir. Fabre wanted it noted that her yes vote is solely based on the information provided by Ms. Scales.

Agenda Item 6: Report from the Customer Care Committee

- Dir. Fabre said that former Director Zervigon removed the MUD's logo from a personal social media page.
- The Board discussed a post Dir. Fabre made on NextDoor. Dir. Jones thinks the post should be removed; Dir. Franke said that it is her understanding that Dir. Fabre asserted that the Board engaged in fraudulent behavior after they voted against her. Dir. Dudo said the statements made came only from Dir. Fabre's perspective.
- Mr. Flickinger expressed his concerns regarding the NextDoor post that will be addressed in the Communications Policy as to what activities Board members should engage in on social media platforms. After a Board vote, Dir. Fabre made statement that the Board is allowing a contractor to violate property rights, something that people might take as fact rather than opinion without other information in context.
- Dir. Fabre discussed issues she had noted with Sage Management's letters and night tour.
- Dir. Dudo said that Dir. Fabre's post characterized Sage Management with something that had not happened and is undermining the residents' trust in their government. Dir. Medrano discussed the options for providing additional services as written in Sage Management's contract.
- Mr. Flickinger noted that this post was done as an individual after a meeting when Dir. Fabre was voted against and made legal allegations against the Board. Some residents look to it as truth, but the statements are not truth.
- Dir. Fabre said she is making legal allegations as she suspects fraud and embezzlement and will continue to do what she was elected to do and will provide details of these acts to residents of the community.
- Mr. Flickinger disagreed with Dir. Fabre's statements as she treats them as an absolute; she is not a judge issuing a ruling. A letter that goes out mistakenly to a resident is not a violation of rights, as she is implying that the letters are intentionally written to violate rights. Some letters may be mistakes, but Dir. Fabre is implying an intentional act that has not been proven.
- Dir. Franke said that her concerns are the Dir. Fabre says she works for the constituents and residents of the District, but she does work for the District and should not put the District in the position of being liable for her acts. All the Board members want to work for the District residents, but she is concerned that Dir. Fabre is leaving the District vulnerable to legal liability.
- No action was taken on this item.

Agenda Item 7: Report from the Information Management Committee

- Dir. Fabre said that it had cost the District \$23,000.00 to set the meeting room up with Touchstone and more services have been added since. If Touchstone performs website maintenance, then the Inframark contract needs to be amended.
- Dir. Dudo said that was a separate issue as no new services are being added; Ms. Catlin will take timestamps of the meetings in addition to minutes in order to save on costs.
- Dir. Dudo has received proposals for additional action items but will not present them until they can be discussed at the Committee level.
- No action was taken on this item.

Agenda Item 8: *Resolution Authorizing Disbursement to Lakeline Oaks Homeowners Association, Inc. of All Remaining Funds in the Lakeline Oaks Beautification Fund*

- Mr. Flickinger explained the disbursement authorization resolutions. Associations must agree to the terms and conditions of the resolutions which specify that money can be spent only for deed restriction enforcement services, with written expenditures sent to the manager within 30 days. If all the money is not spent within 12 months, the remainder is to be returned to general beautification funds.
- **Motion: Accept the resolution as presented for Lakeline Oaks Homeowner's Association in the amount of \$13,499.54.**

Motion by: Dir. Franke

There was no second to this motion.

- Dir. Dudo asked how the restrictions on this resolution differ from how the funds have been spent in the past, and if it could be used for projects like landscaping at neighborhood entryways. Mr. Flickinger said that if the Associations approve these resolutions, they must abide by the conditions set forth in the resolution. However, they can decline to accept the funds.
- Dir. Fabre asked why these conditions were not on this money before; Mr. Flickinger said it was left open as the District was not specifying its use for a particular event or controlling distribution, but if there are no restrictions on the resolution, the funds cannot be tracked.
- Dir. Fabre asked why restrictions are being set for this money now; Dir. Franke said that she was uncomfortable releasing the money without any kind of restrictions. Associations do not have to approve the resolution if they do not want to abide by the restrictions.
- No action was taken on this item.

Agenda Item 9: *Resolution Authorizing Disbursement to Volente Hills at Park Forest Owners Association, Inc. of All Remaining Funds in the Volente Hills Beautification Fund*

- The balance of the account for Volente Hills is \$757.66.
- Karen Wallace, the Vice-President of the Volente Hills Board, spoke with the Board President and they are open to taking the money with restrictions.
- Dir. Dudo reiterated that the money was earmarked only for deed restriction enforcement. Ms. Wallace will relay that information to the Board so they can re-evaluate their decision.

- Mr. Flickinger noted that the intent of the Resolution is that the Owners Association can use the fund to pay the manager under contract, even if not strictly for deed enforcement.
- No action was taken on this item.

Agenda Item 10: *Resolution Authorizing Disbursement to Hunter's Glenn Homeowners Association, Inc. of All Remaining Funds in the Hunter's Glenn Beautification Fund*

- The balance of the account for Hunter's Glenn is \$3,129.61.
- Mr. Flickinger noted that this is the total amount of the beautification fund and is not broken out as to where it got collected; it is only allocated to Hunter's Glenn.
- Dir. Fabre asked if the money would go back to the section it was collected in; the Board and Mr. Flickinger discussed funds collected from Hunter's Glenn 1 and Hunter's Glenn 2 and where the monies should be allocated.
- No action was taken on this item.

Agenda Item 11: *Resolution Authorizing Disbursement from the Anderson Mill West Beautification Fund to Pay Attorney Fees Incurred by Anderson Mill West Neighborhood Association, Inc. in Connection with Cause No. D-1-GN-20-003773; Linda Fabre and Matthew Fabre v. Williamson-Travis Counties Municipal Utility District No. 1 and Anderson Mill West Neighborhood Association, Inc.; In the District Court of Travis County, Texas; 53rd Judicial District*

- **Motion: Accept the resolution as presented for Anderson Mill West Neighborhood Association.**

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

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

Voluntarily Recused: Dir. Fabre

Dir. Fabre asked why this resolution did not have the same restrictions as the others. Mr. Flickinger said that the balance is just over \$13,000 and is not being paid to the Association but directly to the attorneys to which the Association owes money. There are restrictions on where funds are directed, but similar conditions exist in that the Association must agree to distribution going to the attorney and if they are reimbursed either by agreement or judgment, the amount is returned to the District and the Anderson Mill West beautification fund. Mr. Flickinger and Dir. Fabre discussed the lawsuit regarding the Anderson Mill West Neighborhood Association and the ACC. Dir. Fabre recused herself from the vote.

Agenda Item 12: *Utilization of Beautification Funds to pay for the District's deed restriction enforcement expenses*

- Mr. Flickinger said that one suggestion was to use this money to pay Sage Management fees and attorney fees. The District can use this money for any purpose at any time with a Board vote.

- Dir. Fabre thinks the money should go back into general revenue and be budgeted like other revenues rather than earmarked for deed enforcement. She intends to tell residents that the MUD Board is paying Anderson Mill West Neighborhood Association's legal fees via their tax dollars.
- No action was taken on this item.

Agenda Item 13: *Contract with Jani-King of Austin*

- No action was taken on this item.

Agenda Item 14: *Minutes from prior regular and special meetings; Reconsideration of Minutes previously approved with oral revisions*

- Dir. Franke noted that Agenda Item 9 on Page 11 mentioned a lawsuit against Diana Sagnes; this was clarified as an open records request by a resident who thought there was a lawsuit against Ms. Sagnes, but that lawsuit does not exist.
- Dir. Fabre noted that Agenda Item 3, bullet point 9 mentioned sidewalk repairs at Sun Chase Park when it is actually new sidewalk construction between Sun Chase Pond and Madeline Loop pond which is not complete. Additionally, the motion regarding wastewater mainline repairs needs to be made more specific.
- Dir. Fabre noted that Dir. Dudo had asked to proceed to both Agenda items 22 and 23, not just Item 22.
- Dir. Fabre corrected a motion for additional services from Sage Management; the check was released at that time, not held.
- Dir. Fabre said that Dir. Jones had noted she'd been told not to include so much information, but nothing submitted by her was rejected.
- Dir. Fabre noted that the Director's checks were released with five requests withheld, not all requests.
- Dir. Fabre noted that on Agenda Item 11, she did not state she had a friend at the Attorney General's office; she offered to contact the attorney who was handling the case against the Attorney General.
- Dir. Fabre noted that on Agenda Item 6, four checks had been removed from the total check register.
- Dir. Fabre noted that on Agenda Item 15, Verdunity did not charge \$800.00 to attend a meeting but Mr. Edmonson did. She said all project costs need to be recorded against the parks plan.
- Dir. Franke instructed that the minutes be listed on the February 3 agenda for re-approval.
- Dir. Fabre said that a first draft of minutes should be delivered within five days and corrections sent back to Ms. Catlin prior to submitting the minutes for full approval.
- No action was taken on this item.

Agenda Item 15: *District's authority to enforce deed restrictions pursuant to Section 54.237, Texas Water Code*

- This item was addressed in executive session.
- No action was taken on this item.

Agenda Item 16: *District Rate Order – Application of Partial Payments*

- This item was addressed in executive session.
- No action was taken on this item.

Agenda Item 17: *Cause No. D-1-GN-20-001465; Williamson-Travis Counties Municipal Utility District No. 1 v. Jack Pinckard; In the District Court of Travis County, Texas; 126th Judicial District*

- This item was addressed in executive session.
- No action was taken on this item.

Agenda Item 18: *Cause No. 20-0791-C368; Williamson-Travis Counties Municipal Utility District No. 1 v. Rusty Thornhill; In the District Court of Williamson County, Texas; 368th Judicial District*

- This item was addressed in executive session.
- No action was taken on this item.

Agenda Item 19: *Cause No. 2SC-20-0338; Bharath Navaneethan and Usha Divi v. Williamson-Travis Counties Municipal Utility District No. 1; In the Justice Court of Williamson County, Texas; Precinct No. 2*

- This item was addressed in executive session.
- No action was taken on this item.

Agenda Item 20: *Cause No. D-1-GN-20-003773; Linda Fabre and Matthew Fabre v. Williamson-Travis Counties Municipal Utility District No. 1 and Anderson Mill West Neighborhood Association, Inc.; In the District Court of Travis County, Texas; 53rd Judicial District*

- This item was addressed in executive session.
- No action was taken on this item.

Agenda Item 21: *Future Board Meetings – schedule and scope of agendas*

- Mr. Flickinger asked for the Board to send him items they would like on the February 3 agenda to him by tomorrow.
- Dir. Franke said the audit and minute drafts should be part of the agenda.
- No action was taken on this item.

Agenda Item 22: *Adjournment.*

- **Motion: Adjournment of meeting at 11:01p.m.**

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

Aye: Dir. Dudo
Dir. Fabre

Dir. Franke
Dir. Jones
Dir. Medrano

Dir. R. Jones

Board of Directors

April 16, 2021

Date