

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

July 28, 2021

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 at 6:00 p.m. on July 28, 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.

Board President Catherine Franke called the meeting to order at 6:03 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

thus constituting a quorum. Assistant Secretary/Treasurer Beth Jones joined the meeting late.

Also present were Kristi Hester, Kay Olsen, Michael Luft and Leigh Catlin of Inframark; Bill Flickinger and Allison Nix of Willatt & Flickinger, PLLC; James Sagnes of Sage Management Services; Scott Knussmann of Sunscape Landscaping.

1. PUBLIC COMMENTS

David Flores made a public comment.

Gerald Burgess made a public comment.

2. REPORT FROM THE DISTRICT MANAGER AND AFFECTED PERSONS,
INCLUDING PAYMENT OF BILLS AND INVOICES AND TRANSFER OF
FUNDS

District Bookkeeper Michael Luft said there are no checks for approval today.

Mr. Luft said he had not sent the Quarterly Investment Report to the Investment Committee by last meeting, but it has now been sent to them for review and consideration at today's meeting.

Dir. Fabre said she has not yet reviewed the report, and Dir. Jones is not currently in attendance. This item will be tabled for consideration at a future board meeting.

Discussion regarding delinquent customer accounts have been set up on payment plans or paid in full.

Dir. Fabre confirmed the Waste Management dumpster haul-off event has been scheduled and was printed on the recent water bills. It is not yet on the online billing system, which would be helpful. Dir. Fabre suggested that Inframark set up the trailer, once by Anderson Mill Park and once by Lakeline Park, to announce the event is this weekend. Ms. Hester stated the sign was set up today at Lakeline Oaks and it is on the website.

3. REPORT FROM THE DISTRICT'S LANDSCAPER

Scott Knussmann of Sunscape Landscaping stated they had some challenges with rain at the outfalls and ponds. They are finally catching up and met with District Engineer Herb Edmonson to walk the sites, and Sunscape Landscaping will work on the side items Mr. Edmonson pointed out. Dir. Medrano noted the next inspection is on the 6th and asked if it will be ready by then. Mr. Knussmann said yes, there is a pre-inspection scheduled for the 2nd to confirm whether there are any last-minute items to address, and they have been making good progress. Dir. Franke asked how this will be avoided in the future. Mr. Knussmann said there are no excuses, and the landscapers will do what they need to do to be more aggressive in the wet areas. Dir. Medrano asked if they intend to address the canopies at Anderson Mill West Pond near the swing set. Mr. Knussmann confirmed it is on their list but not done yet. Dir. Franke stated she walked Sun Chase Park last weekend and took photos of the issues she is concerned about. Grapevines growing into canopies have been cut out in the past. She will send her list to Mr. Edmonson to oversee the areas that need to be addressed for normal maintenance. Dir. Franke also noted the second house from the corner on Old Mill in Sun Chase has large sets of vines in their backyard growing into the canopies. She suggested reaching out to the homeowner to ask permission to cut back the invasive vines. Kristi Hester added that the timing of the County's inspection was bad after three months of heavy rain events. All detention ponds and drainage facilities in all of Austin have suffered, but she will do her best to stay on top of it going forward. The current issues were partly due to Mother Nature.

4. REPORT FROM THE PARKS COMMITTEE

Dir. Dudo provided an update on the park plan process, the next steps and shared the overall results of the survey conducted in May. She stated this was the first of two surveys, so there will be other opportunities for residents to weigh in. The first survey's purpose was to generally understand how the parks and ponds are used and people's preferences. There was a three-week response period, and the survey was provided through Survey Monkey and paper copies, but no physical surveys were turned in. There were 337 survey respondents, but not every respondent answered every question. The demographic questions were at the end of the survey because those responses will carry less weight. Responses were received from all neighborhoods in the District, and only 11 respondents reported not living in the District.

The first set of questions were on current park usage. Anderson Mill West Park is used the most, and Lakeline Oaks Park and Sun Chase Park tied for second. 15% reported not using any of the District parks or ponds at least once a month. Open-ended response questions were included, and over 1,000 responses were received. The most common themes were walking, hiking, jogging and trail usage, which came in first, or playing with kids on the playgrounds, which was second. The most repeated reason as to why some do not visit the parks was because they are not close to one. Others noted that they have no interest in the amenities offered.

Regarding the respondents' attitudes about the current park system, the majority consider it a valuable part of the community and a good place to socialize. Most respondents felt the parks are well-maintained. 61% reported not knowing who to contact to report a problem at a park or pond, and only 38% know where to find information about the District's park system. About half of the respondents felt the parks provide a good variety of amenities. Additional open-ended response questions noted the District needs to improve park maintenance, they would like a water amenity in the District and they would like to have more amenities for dog owners. Preferences for the future included enhanced trails and paths and water play areas. Unique features, photo opportunities and public Wi-Fi had the strongest negative reactions. When asked what their favorite parks are that have been visited elsewhere, the Round Rock Play for All Abilities Park was at the top of the list. A number of people mentioned replacement of the playscape at Sun Chase Park.

Dir. Dudo discussed the survey limitations and questions raised by residents. There were concerns that nonresidents would be providing input for future park plans. Dir. Dudo said those people might still have valuable input to consider. Only 11 respondents reported not living in the District, but 82 did not provide an answer for where they live. Since the primary concern relates to future improvements, the committee looked closely at those responses using all data, then without the input of the 11 nonresident respondents, then without counting responses from the 82 who may or may not live in the District. Effectively no difference was found in the data. There was additional discussion on concerns that people took the survey more than once which could skew the results. The objective for the Park Plan Advisory Committee is to look for patterns in the results to move forth with the park plan process using more in-depth information. They will continue their analysis. Dir. Franke asked what the timeline is for the next steps for the committee. Dir. Dudo stated they met early this month for preliminary discussion of the results and will meet again in early August.

Dir. Franke moved to Agenda Item No. 6.

6. REPORT FROM THE INFORMATION MANAGEMENT COMMITTEE

Dir. Franke asked why a permanent monument sign falls under the Information Management Committee. Dir. Dudo commented that this committee has the same members as the Parks Committee, and she felt the sign would be more than just a park amenity since it would share District information.

Dir. Dudo stated the representative of Focus Digital Displays was going to attend the meeting but got sick. Per previous discussions, the Board is more interested in a permanent sign

than a mobile one. The proposed sign would cost just under \$22,000, is double-sided, and the LED display would need to adhere to Cedar Park's sign ordinance. There was further discussion on this, the location of the sign and setback requirements. No action was taken.

Dir. Dudo reported that Touchstone sent its monthly report. They have not been providing it previously because they have been updating the committee every month but say they are happy to provide it going forward if requested. Kristi Hester shared her screen to show the report. It lists what has been done to the website in the past month and basic statistics on the use of the site. It takes about half an hour to create the report, and Touchstone bills for that time since it is not included in its base fee. Dir. Dudo said if the Board feels it is valuable information, Touchstone will continue providing the reports. She does not want the additional charge to be deducted from the limited funds the committee is allowed to use between meetings. Dir. Dudo suggested perhaps reviewing the information quarterly instead of every month. Dir. Franke added she is not sure the information is very useful for monthly review. Dir. Fabre stated Touchstone's contract says it will present a written status report to the Board at least three days prior to each regular board meeting and is included as part of the base fee, so she is unsure why it is being billed as an additional charge. She also agreed that the report does not contain anything of value to the District. She suggested having Touchstone fix the calendar, the reservation system and other website issues instead. Knowing the status of where they are in fixing site issues would be of better use to the Board. Dir. Dudo stated that is a committee issue, so she encouraged Dir. Fabre to send concerns or recommendations to the committee. After detailed discussion, it was decided that Touchstone's monthly status report is not needed. Dir. Franke said if the monthly report included in their base fee is intended to be their discussion with the committee and not a written report, the important information can be relayed to the Board by the committee.

7. REPORT FROM THE AUDIT COMMITTEE

Attorney Bill Flickinger said two engagement letters have been received from Arbitrage Compliance Specialists for the District's 2005 bond issue for a \$950 fee and one for the 2011 bond issue for a \$2,950 fee. The difference in cost is the number of years the arbitrage review covers. Mr. Flickinger stated the same company has been used in the past for arbitrage review and to file the required report should the IRS ever audit the District for bonds. The engagement letters have previously been sent to the Audit Committee for review and are being presented for approval so ACS can be engaged in time to process the reports in a timely fashion. Dir. Fabre added that one bond issue has already been paid off and the other will be paid off in 2023. Dir. Franke asked if the bond issue that was recently paid off is included in this round of ACS engagement letters, and Dir. Fabre said it is. There will be only one for review next year after the remaining bond issue is paid off.

Motion: **Approval of the engagement of Arbitrage Compliance Specialists along with their analysis proposals in the total amount of \$3,900.**

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

Aye: Dir. Dudo

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

8. REPORT FROM THE DEED RESTRICTION COMMITTEE

Bill Flickinger stated the three Deed Restriction Committee items were included on the agenda because he anticipated the potential for providing updates by today's meeting, but there are no updates yet and he is not aware of any Board actions needed.

Dir. Franke moved to Agenda Item No. 5.

5. REPORT FROM THE BUDGET COMMITTEE

Dir. Franke stated that Michael Luft sent the budget spreadsheet to Dir. Fabre and herself and noted that appraised values went up 12%. Dir. Franke desires to move part of the solid waste disposal or fire protection fees off of the monthly customer water service bills and pay a portion of the fees through taxes. Mr. Luft said that when fire protection fees are paid through property taxes, they are levied as separate taxes in other MUDs. Bill Flickinger clarified that the District was not set up that way and that payment of those fees would have to come out of the operation and maintenance portion of property taxes.

Mr. Luft shared his screen with the meeting participants to discuss the budget in detail. Dir. Franke stated that the anticipated cost for solid waste collection in the next budget year is \$427,000. \$850,000 is what the District's 12-month reserve balance should be. Dir. Medrano thought the District keeps six months' worth in reserve, and Dir. Franke said that is the case, but they need to start running a larger reserve in anticipation of taking on larger capital improvement projects and to have a larger rainy-day fund for unexpected infrastructure repair projects since the District's system is aging. A 0.4-cent tax rate decrease would keep the funds from property taxes the same as the previous year. Mr. Luft explained that he worked with the District's financial advisor to calculate the tax rate to not exceed the maximum increase allowed. The District's debt service rate will be \$0.0275 per \$100 of assessed value. The total tax rate cannot be set higher than \$0.3093 to stay under the 3.5% maximum increase. Projects carried over from the prior budget are creating the deficit. Mr. Luft added the anticipated property taxes are a little over \$100,000 more than last year's budget. Dir. Fabre asked Mr. Luft if he has received everyone's submissions for budget items, and he has not. The budget items for future projects will be changed over the next couple of weeks. Mr. Luft said the Board will need to set a tax rate and adopt the budget at its September board meeting, and the proposed tax rate will be set at the August board meeting. Dir. Franke said they will need to figure out priorities. Money will need to be set aside for the Hatch Lift Station, reserves need to grow, and a portion of the base fees should be paid with tax revenue to reduce the customers' water bills. Dir. Medrano is to think of infrastructure projects. Dir. Fabre asked if the District would have to pay taxes for Waste Management's services outside of the base fee. Mr. Flickinger clarified that there is no separate line item for solid waste services to customers. The Comptroller has said that service is not taxable if included in the base fee, but if it is paid out of taxes, that does not apply. Mr. Flickinger said the base fee is part water and part sewer, but solid waste and recycling fees take up most of the base fees.

Dir. Fabre said too much of the District's expenditures are overhead and need to be reduced. Some projects were not completed and will roll into the next year. She added she also expects a \$95,000 reimbursement from Inframark. Kristi Hester said the invoice for the meters will come in soon. Dir. Medrano said it was good timing for the debt service rate to go down so much or the operation and maintenance rate would have to be much lower. Dir. Franke said the debt service rate will be gone in two more budget cycles. Dirs. Franke and Fabre will meet with Mr. Luft the week of August 9th. Dir. Franke instructed the remainder of the Board to submit their list of budget items before then for a chance to get them into the budget. Dir. Dudo asked how parks budget items have been handled in the past since it overlaps with infrastructure. Dirs. Franke and Medrano clarified the differences between parks and infrastructure responsibilities. Mr. Luft noted that to avoid a rolling quorum, committee crossover communications should be sent directly to the bookkeeper.

Dir. Franke moved to Agenda Item No. 9.

9. MINUTES FROM PRIOR REGULAR, SPECIAL AND DRC MEETINGS;
RECONSIDERATION AND CORRECTION OF MINUTES PREVIOUSLY
APPROVED

Minutes of the June 14, 2021 DRC meeting, June 23, 2021 special meeting, and July 19, 2021 DRC meeting were included in the agenda package for consideration. Dir. Fabre stated that she previously reviewed the minutes of the June 23, 2021 and July 19, 2021 meetings and provided minor corrections to Allison Nix prior to the meeting. Dir. Medrano said he has reviewed those minutes as well. Dir. Franke asked what type of corrections were made, and Dir. Fabre said they were minor. Those sets of minutes have already been revised and redistributed to the Board before the meeting with notes on what the corrections were.

Motion: Approval of the June 23, 2021 special meeting minutes and July 19, 2021 DRC meeting minutes as corrected.

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

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

Abstain: Dir. Jones

The June 14, 2021 DRC meeting minutes will be considered at a future meeting.

10. FUTURE BOARD MEETINGS – SCHEDULE AND SCOPE OF AGENDAS;
LOCATION FOR IN-PERSON MEETINGS BEGINNING IN SEPTEMBER
2021

Discussion regarding future meeting locations. No action was taken.

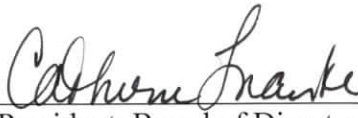
The next DRC meeting will be held on August 16th.

11. ADJOURNMENT

Motion: Adjournment of meeting at 8:21 p.m.

Motion by: Dir. Fabre
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]

3\WTC MUD No. 1\Minutes\07-28-21-SM
11/3/21