

**MINUTES OF MEETING OF  
BOARD OF DIRECTORS OF WELLS BRANCH  
MUNICIPAL UTILITY DISTRICT**

September 16, 2003

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

A regular meeting of the Board of Directors of Wells Branch Municipal Utility District was held on September 16, 2003, at the Wells Branch Community Center, 2106 Klattenhoff Drive, Austin, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the Notice is attached as Exhibit "A".

The roll was called of the members of the Board:

Charles R. Walters   - President  
Donna Howe           - Vice President  
Scott Gilmore       - Secretary  
Joy Smith            - Treasurer and Assistant Secretary  
Robert J. O'Donnell - Assistant Secretary and Assistant Treasurer

and all of the Directors were present, except Director Walters, thus constituting a quorum. Also present at the meeting were Don Williams, District Manager; John Bartram of Armbrust & Brown, L.L.P.; Margret Wingrove of ECO Resources, Inc.; Robert Ferguson of Murfee Engineering; Richard Fadal of TexaScapes, Inc.; Janet Maxey, a resident of the District; Bill Schultz, an investor seeking pass-through service from the District, Carl Conley of Conley Engineering; Jim Nias of Jackson Walker, L.L.P. Bill Glass, a resident of the District, arrived later.

Director Howe called the meeting to order at 6:37 p.m., and recognized Ms. Wingrove for a report from the District's utility manager. Ms. Wingrove reviewed previous directives from the Board and presented her financial report and utility operations report, copies of which are attached as Exhibits "B" and "C", respectively. She stated that she had received verification from the City of Austin that its rates would remain as presented to the District in August, representing a \$0.09 water increase and a \$0.17 wastewater increase. Ms. Wingrove announced that she had filed charges against a former customer whose service had been disconnected and who had then illegally tapped into the District's system by convincing his neighbor to allow him to connect to the neighbor's service using a "cheater pipe." She explained that she had alerted the neighbor that unauthorized connections were illegal and that he could be fined. Ms. Wingrove reported that the neighbor had apologized and agreed not to let it happen again. At this time, Mr. Williams noted that the amount in arrears had been reduced significantly, and Director Howe requested Mr. Williams to work closely with Ms. Wingrove to continue the

improvement. Ms. Wingrove then recommended that certain water valves and manholes that had been paved over by Travis County be located and raised in order to prevent location problems in the future. Director Howe stated that paving over water valves was apparently a chronic problem statewide. Director O'Donnell questioned whether the County was liable for any resulting problems or delays. Mr. Ferguson stated that he did not know who was ultimately liable but that it was his experience that utilities accepted responsibility. Director O'Donnell asked whether the District could implement a system that would alert it to County paving activity before any valves were paved over, and Ms. Wingrove explained that the County had informed her that it would notify her prior to any future paving. After discussion, upon motion by Director O'Donnell and second by Director Smith, the Board voted unanimously to authorize ECO Resources to locate and raise the valves that have been paved over by the County, as recommended by Ms. Wingrove.

Director Howe then announced that the Board would receive input from citizens, and recognized Mr. Conley and Mr. Schultz, who stated that they were in attendance to discuss the possibility of securing the District's commitment for pass-through service with respect to a 45-acre tract situated between Interstate 35 and the District, as more fully described in the materials attached as Exhibit "D". Director Smith stated that the Facilities Committee had reviewed the proposal and summarized the Committee's major concerns, which were: (i) the proximity of a restaurant/club to the District's residential areas; (ii) roads connecting the 45-acre tract to the District, which would allow motorists to cut through to I-35; and (iii) the possibility of permitting the charter school on Fleischer Drive to tie into any pass-through service. Mr. Schultz addressed each concern in turn. He explained that the restaurant/club would be a country and western dance club located over 1,000 feet from the District's boundary and on the other side of a hill, thus taking it out of the line of sight of the District's residents. He further explained that it was in his economic interest to establish most of his development on or near I-35 frontage and green space near the District's boundary and, as a result, his interests were aligned with the District's interests. With respect to connecting roads, Mr. Schultz explained that the area of the 45-acre tract adjoining the District was intended to be residential and that he had hoped to connect to the District with a cul-de-sac serving his residential area. He further explained that his residential area would not be accessed from the remainder of his property because he did not want to incur the expense of constructing a bridge that would be necessary to do so. Director O'Donnell stated that the property values of District residents would decline if condominiums or apartments were constructed in Mr. Schultz's proposed residential area and that he would vote in favor of a road connection only if Mr. Schultz's residential development was limited to single-family, detached residences. Mr. Schultz stated that he would be in favor of permitting the charter school on Fleischer Road to tie into his pass-through service as long as it did not create capacity problems for his planned development. Director Smith stated that the full Board would need to consider whether to approve the pass-through service request. Director Gilmore informed Mr. Schultz that any such approval would be contingent upon certain things, such as City of Austin approval and the further review and approval by the District of Mr. Schultz's evolving development plans.

Director Howe then recognized Mr. Glass, who questioned what action the Board had taken on the pass-through service request submitted by Mr. Schultz. Directors Smith and O'Donnell explained to Mr. Glass that, because the Board could not act during the time scheduled for citizens' communications, the Board had taken no action.

Director Howe then announced that the Board would next consider approving Mr. Schultz's pass-through service request. After further discussion, the Board directed the Facilities Committee to finalize the terms upon which the Committee recommended pass-through service be approved and to work with the District's legal counsel in drafting an appropriate resolution approving such pass-through service. The Board further directed that a special meeting of the Board be scheduled at noon on September 24, 2003 at the offices of Armbrust & Brown, L.L.P. to consider a resolution approving Mr. Schultz's pass-through service request.

Director Howe then recognized Mr. Williams for a report from the District Manager. Mr. Williams reviewed previous directives and presented his report, including the Community Gardens Report, facilities report, landscape report, restrictive covenants report, customer service report and aquatics report, copies of which are attached as Exhibits "E" through "J", respectively.

Mr. Williams commented that the community gardens were looking well and that he had posted a sign reminding participants that community garden plots would be up for renewal in the Fall. Mr. Williams stated that he had had problems with several mowers and had to replace one. He reported that the irrigation of the soccer fields had been completed. Director O'Donnell stated the he had been asked to report an ant problem on one of the soccer fields, and Mr. Williams stated that ant activity had increased after the recent rains and that he was addressing the issue. Mr. Williams further reported that TexaScapes had performed well in cleaning up after recent storms. He stated that restrictive covenant enforcement had been active with respect to lawn maintenance but less so with respect to boats and trailers parked in violation of the restrictive covenants. Director Howe inquired as to the District's restrictive covenant violation notification process, and Mr. Williams explained that the District sent out the first notice and that, if the violation persisted, the file was transferred to the District's legal counsel for further action. Mr. Williams also reported that the aquatics program had gone well over the Summer but that there had been several incidents in which feces had been thrown into the pool. Director Howe questioned what the District could do to the perpetrators, and Mr. Williams explained that it was his policy to press charges against such vandals.

Director Howe then recognized Mr. Bartram for a report from the District's attorney. Mr. Bartram stated that Proposition 4, a constitutional amendment permitting municipal utility districts to sell bonds to finance the construction of parks and recreation facilities, had passed. Mr. Bartram noted, however, that the District would have to renegotiate its Consent Agreement with the City of Austin if it desired to bond the construction of parks and related facilities.

Director Howe then recognized Mr. Ferguson, who presented a report from the District's engineer, a copy of which is attached as Exhibit "K". Mr. Ferguson reported that the master meter at the intersection of Wells Branch Parkway and FM 1325 (Burnet Road) was in the process of being moved to a point east of the bank parking lot in order to tie into the City of Austin's new 54-inch water line. Mr. Ferguson also reported that he had noticed City of Austin water pressure problems in certain areas. He stated that the Consent Agreement obligated the City of Austin to provide a minimum water pressure of at least 35 psi, but that the pressure in certain locations had been fluctuating. Ms. Wingrove stated that she had recorded a pressure reading as low as 31 or 32 psi. Mr. Ferguson stated that he planned to install a pressure reporter

that would monitor City water pressure 24 hours per day. The Board directed Mr. Ferguson to alert the City of Austin to this water pressure problem once he had collected sufficient data.

Director Howe then announced that the Board would consider items on its consent agenda, including:

- Agenda Item No. 6:** Approve the minutes of the August 19, 2003 regular meeting;
- Agenda Item No. 7:** Approve Finance Committee's recommendations regarding payment of bills and invoices and write-offs, copies of which are attached as Exhibits "L" and "M", respectively;
- Agenda Item No. 8:** Approve Finance Committee's recommendation regarding Secretary's Certificate and Resolutions Regarding Account (sweep account) attached as Exhibit "N";
- Agenda Item No. 9:** Approve pay estimates/change orders for 3000 Shoreline Drive Water Quality and Regional Detention Pond attached as Exhibit "O"; and
- Agenda Item No. 10:** Approve the District seal, an imprint of which is attached as Exhibit "P".

Upon motion by Director Smith and second by Director Gilmore, the Board voted unanimously to approve the items on the consent agenda.

Director Howe then announced that the Board would receive reports from Committees:

**ADMINISTRATIVE COMMITTEE:** Mr. Williams announced that the Administrative Committee had not met, and the Board agreed to receive a report from the Administrative Committee at the next regular Board meeting, including a report with respect to (i) Amendment No. 2 to Composting Site Operating Agreement with TexaScapes, Inc., and (ii) Amendment No. 4 to Composting Services Agreement with Springwoods Municipal Utility District.

**CONSERVATION COMMITTEE:** No report.

**FACILITIES COMMITTEE:** Directors Smith and Gilmore reminded the Board that they had reported with respect to Mr. Schultz's request for pass-through service previously during the meeting.

**FINANCE COMMITTEE:** The Committee recommendation, a copy of which is attached as Exhibit "Q", serving as a motion and second to revise irrigation water rates, the motion passed unanimously.

**INTERGOVERNMENTAL COMMITTEE:** No report.

**PUBLIC SAFETY COMMITTEE:** No report.

**RECREATION COMMITTEE:** Director Smith reported with respect to TBS Black Belt Master Club, Inc.'s request for recognition as a sanctioned group and for permanent meeting/training space. She reminded the Board that Mr. Williams had previously denied such requests and reported that the Recreation Committee recommended that the Board not overturn the decision of Mr. Williams, specifically because the District did not have suitable or available space to dedicate to the martial arts club on a permanent basis. Director Smith suggested, however, that the club submit a revised proposal requesting the use of a smaller space on a non-permanent basis. She further reported that the Recreation Committee had received a request from the Optimist Club for use of the indoor volleyball court. She stated that it was the position of the Recreation Committee that such use would be permissible only if it were limited to half of the gym during off-peak hours or when the gym was closed. Director Smith also reported that the Recreation Committee had received a request from the model boat club requesting permission to post signage and that the Recreation Committee would review such request for appropriate recommendation to the Board.

Director Howe then stated that the Board would hear announcements from Board members, at which time Director Howe announced that the TWCA was holding a meeting in San Antonio on October 5<sup>th</sup> and 6<sup>th</sup> for anyone who was interested.

Director Howe then announced that the Board would consider evaluating the District's utility manager and the District Manager, at which time Mr. Williams circulated evaluation forms to be used in connection with consultant evaluations. Director O'Donnell requested that Mr. Williams e-mail an electronic version of the evaluation form to each Director. Director Howe requested that Mr. Williams notify the Board members by e-mail at least twice prior to any scheduled consultant review. Director O'Donnell asked whether it would be beneficial to provide each consultant with a written evaluation, and Mr. Williams agreed to prepare an evaluation form for all consultants. After discussion, the Board determined to postpone the scheduled evaluations until the next regular meeting of the Board.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



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Scott Gilmore, Secretary  
Board of Directors

Date: 10-21-03