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

August 17, 2004

A regular meeting of the Board of Directors was held August 17, 2004, at the Wells Branch Community Center, 2106 Klattenhoff, 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".

Members of the Board as it was called to order are:

Charles R. Walters	-President
Donna Howe	-Vice President
Robert O'Donnell	- Secretary
Joy Smith	- Treasurer
	and Assistant Secretary
Janet Maxey	- Assistant Secretary-Treasurer

and all of the Directors were present, thus constituting a quorum. Also present during the course of the meeting were Don H. Williams, District general manager; John Bartram of Armbrust & Brown, LLP, the District's law firm; Margret Wingrove of ECO Resources, the District's utility management firm; Robert Ferguson, P.E., of Murfee Engineering; Casey Haney from the office of State Representative Jack Stick; Scott Krchnak of Maxwell Locke & Ritter, P.C.; and Cliff Avery of Gilleland Creek Press.

Director Walters called the meeting to order at 6:30 p.m. and announced that the Board would consider its 2004-2005 budget and its 2004 tax rate. He recognized Director Howe, chair of the Board's Finance Committee, who presented a draft version of the budget, attached as Exhibit "B." Director Howe said that after consultation with the District's financial advisor, the Committee was recommending a proposed tax rate of 31 cents per \$100 of taxable value for operations and maintenance requirements and 17 cents per \$100 of taxable value for interest-and-sinking fund requirements. Director Smith suggested, and the Board generally concurred, that \$1,000 be shifted to the category of conservation education. Director Smith asked how the water conservation reimbursement to the Wells Branch Community Library was accounted for in the 2003-2004 budget, and *the Board generally directed the utility manager to provide that information.*

Ms. Wingrove discussed the City of Austin's plans to increase rates 10.9 percent for water service and 12.7 percent for wastewater service. The Board expressed its displeasure at the magnitude of the City's increase since the District had worked diligently to lower its peak usage, a critical factor in the City's previous formulae. The Board discussed the need to research and comment upon the City's proposed rates.

1 The Board generally agreed to add \$50,000 to the professional consultant category of
2 the proposed budget. Director O'Donnell asked Mr. Ferguson whether it was
3 appropriate to initiate a study of changes in the flood plain. Mr. Ferguson opined that
4 the cost of such a study could run as high as \$150,000, and the Board generally
5 concluded that such a study was not justified at this time.

6
7 **Director Maxey moved, seconded by Director Smith, that the Board**
8 **establish a proposed tax rate of 31 cents per \$100 of taxable value for**
9 **operations and maintenance requirements and 17 cents per \$100 of**
10 **taxable value for interest-and-sinking fund requirements for a total of 48**
11 **cents per \$100 of taxable value. The motion passed with Directors**
12 **Walters, Howe, O'Donnell, Smith and Maxey voting "aye" and no**
13 **Directors voting "nay."**

14
15 **Director Smith moved, seconded by Director Maxey, that the Board**
16 **schedule a public hearing for 6:30 p.m. September 21 at the Wells Branch**
17 **Community Center, at which time the adoption of the tax rate will be**
18 **considered and authorize publication of the Notice of Public Hearing on**
19 **Tax Rate in the *Pflugerville Pflag*. The motion passed unanimously.**

20
21 Director Walters then recognized Ms. Wingrove for the utility manager's report. Ms.
22 Wingrove reviewed previous directives from the Board and presented her financial
23 report and utility operations report, copies of which are attached as Exhibit "C" and
24 "D," respectively. Ms. Wingrove reported that the District had experienced more
25 cutoffs of service under its new policy. She noted that her tabulation of accounts in
26 arrears included an error that she would correct and republish to the Board. She said
27 that televised monitoring of the District's wastewater lines had shown no major
28 problems. She further reported that Travis County had engaged in a cover-up in that
29 its crews paved over some of the District's manholes. She stated she was working with
30 the County to correct the problem.

31
32 Director Walters then announced the Board would receive input from citizens and
33 recognized Mr. Haney who reported on discussions with ExxonMobil Corporation to
34 remove an abandoned station that had become a neighborhood eyesore. He further
35 reported on Representative Stick's efforts to meet with state officials regarding the
36 Loop 1 Extension Project.

37
38 Director Walters then recognized Mr. Krchnak for discussion of the proposed
39 engagement letter, attached as Exhibit "E," of Maxwell Locke & Ritter, P.C., for the
40 audit of the District's financial statements. Mr. Krchnak discussed new challenges
41 facing the District because of GASB34. Director Howe noted that Mr. Krchnak had
42 agreed that a different representative of his office would perform the audit so that a
43 "fresh set of eyes" would be looking at the District's books. **Director Howe moved,**
44 **seconded by Director Smith, that the Board approve the engagement**
45 **letter from Maxwell Locke & Ritter, P.C., for audit of the District's**
46 **financial statements. The motion passed unanimously.**

47
48 Director Walters then recognized Mr. Williams for the District manager's report,

1 including the Community Gardens report, solid waste/recycling services report,
2 facilities report, landscape report, restrictive covenants report, customer service
3 report, recreation report and aquatics report, copies of which are attached as Exhibits
4 “F” through “M,” respectively. Mr. Williams discussed problems with BFI’s service,
5 including missed carts and pickups. He reported that a frequent and contentious
6 violator of covenants had sold his home and moved from the District, and the Board
7 expressed its delight. He discussed an injury received by a lifeguard. *Director Walters*
8 *stated that the Recreation Committee would like to meet with the recreation*
9 *manager to discuss the summer’s activities.*

10
11 Director Walters then recognized Mr. Bartram for a report from the District’s
12 Attorney. Mr. Bartram stated that he had information for the Board’s executive
13 session.

14
15 Director Walters then recognized Mr. Ferguson for a report, attached as Exhibit “N,”
16 from the District’s engineer. Mr. Ferguson discussed the Texas Department of
17 Transportation project extending Loop 1. He reported that, as part of the project, a
18 master meter was to be moved and a wastewater line was to be relocated at a different
19 slope, which could alter flow and, thus, the District’s capacity. *The Board instructed*
20 *Mr. Ferguson to inform TXDoT that the District expected that its capacity should*
21 *remain the same after any changes*. Mr. Ferguson requested that he meet with the
22 Facilities Committee regarding the Star Charter School request for participation in
23 the District’s regional detention system.

24
25 Director Walters then announced the Board would consider the consent agenda,
26 including:

27
28 **Agenda Item No. 7** Approve Finance Committee’s
29 recommendations regarding payment of bills
30 and invoices and write-offs, copies of which
31 are attached as Exhibits “O” and “P”
32 respectively.

33
34 **Director Smith moved, seconded by Director O’Donnell, approval of the**
35 **consent agenda as presented, and the motion passed unanimously.**

36
37 Director Walters then announced that the Board would receive reports from
38 Committees:

39
40 **ADMINISTRATIVE COMMITTEE:** No report.

41
42 **FACILITIES COMMITTEE:** The Committee recommendation, attached as
43 Exhibit “Q,” served as a motion and second to purchase an additional
44 dump cart. The motion passed unanimously.

45
46 **FINANCE COMMITTEE:** No further report.

47
48 **PUBLIC SAFETY COMMITTEE:** No report.

1
2 **RECREATION COMMITTEE:** Director Walters stated that the Board would not
3 consider changes to the District's rules at this meeting.
4

5 Director Walters then announced the Board would receive announcements from
6 Board members. Director Howe reported on the death of Anderson Mill Municipal
7 Utility District Board of Directors President David Harper, 87. She noted the many
8 contributions that Mr. Harper had made to municipal utility districts in general and
9 to Wells Branch specifically. She expressed the hope that Central Texas districts and
10 other entities with which Mr. Harper was involved might pursue a scholarship in his
11 honor. The Board generally expressed its sorrow at the loss of Mr. Harper and
12 expressed its deepest sympathy to Mr. Harper's family.
13

14 At 8:50 p.m., Director Walters announced that the Board would convene in executive
15 session for purposes permitted under Section 551.071 of the Texas Open Meetings Act
16 (consultation with attorney) regarding covenant enforcement matters.
17

18 The Board reconvened in open session at 9:10 p.m., and Director Walters announced
19 that no action had been taken during executive session.
20

21 There being no further business to come before the Board, the meeting adjourned.
22

23 Respectfully submitted:
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27

28 September 7, 2004

29 Date

30 Robert O'Donnell, Secretary
31 Board of Directors
32 Wells Branch Municipal Utility District

33 (SEAL)
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