

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
VISTA OAKS MUNICIPAL UTILITY DISTRICT**

January 8, 2018

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on January 8, 2018, at the offices of Gray Engineering, Inc., 8834 N. Capital of Texas Highway, Suite 140, 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:

Mike Asbury	-	President
Robert Wells	-	Vice President
Leslie Alger	-	Secretary
Heath Reed-Green	-	Assistant Secretary
Carl R. Black	-	Assistant Secretary

and all of the Directors were present thus constituting a quorum. Also present at times during the meeting were Andrew Hunt of Crossroads Utility Services LLC, the District’s general manager and utility operator; Herb Edmonson of Gray Engineering, Inc., the District’s engineer; Alexia Kolmodin of Municipal Accounts & Consulting, L.P., the District’s bookkeeper; and Jenn Scholl of Armbrust & Brown, PLLC, the District’s general counsel.

Director Asbury called the meeting to order at 12:05 p.m. and stated that the Board would first receive citizens’ communications and Board member announcements. There being none, Director Asbury stated that the Board would consider the minutes of the December 11, 2017 Board meeting. Upon motion by Director Reed-Green and second by Director Alger, the Board voted unanimously to approve the minutes.

Director Asbury then stated that the Board would consider the annual review items on the agenda. Mr. Hunt stated that he had not received all of the required information in order to update the District’s utility system profile and recommended that the Board postpone conducting its annual review of the District’s water conservation and drought contingency plan until the February Board meeting.

Ms. Scholl next stated that it was also time for the Board to conduct an annual review of the District’s written procedures for post bond issuance federal tax compliance. She reviewed the District’s current procedures and highlighted the arbitrage, private use, and records retention requirements. She stated that these procedures would likely evolve over time to keep up with underlying regulatory changes but that no changes were proposed at this time. After discussion, upon motion by Director Alger and second by Director Black, the Board voted unanimously to approve the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance attached as **Exhibit “B”**.

Ms. Scholl then stated that it was also time to conduct an annual review of the District's identity theft prevention program under the federal government's "red flag rules" and directed the Board's attention to the memorandum and Resolution Confirming Annual Review of Identity Theft Prevention Program attached collectively as **Exhibit "C"**. Mr. Hunt reported that the plan had proved effective and that he had no recommended updates to the program at this time. Upon motion by Director Wells and second by Director Black, the Board voted unanimously to approve the Resolution Confirming Annual Review of Identity Theft Prevention Program, as presented.

Director Asbury then stated that the Board would receive an update on the Arterial H Phase 1 road construction. Mr. Hunt reported that the project was under construction and was scheduled to be complete later in 2018.

Director Asbury then stated that the Board would receive an update on the RM 1431 roadway widening project, the Texas Department of Transportation ("*TXDOT*") noise attenuation study, and related matters. Mr. Hunt stated that he had not been provided with an update and that he had not seen any new activity on the ground.

Director Asbury then stated that the Board would receive an update on the Round Rock-Leander 138-kV transmission line. Mr. Hunt stated that he did not have an update for this item.

Director Asbury then stated that the Board would consider taking action regarding wholesale water and wastewater service, including the City's wholesale rate increases. Mr. Hunt reported that Mr. Joyce had completed his analysis of City of Round Rock study and had held a meeting to review the results with all five of the participating districts. He then recommended that the Board convene in executive session in order to receive legal advice on the matter and recommended that the executive session take place at the end of the meeting in order to allow consultants to give their reports and leave before the Board went into executive session.

Director Asbury stated that the Board would receive the security report and consider taking related action. Mr. Hunt presented the security report attached as **Exhibit "D"** and reviewed it with the Board.

Director Asbury then stated that the Board would receive a report from the District's engineer and recognized Mr. Edmonson. Mr. Edmonson presented his report attached as **Exhibit "E"**. He stated that there was not much going on and that he had no updates at this time. Director Reed-Green asked if Mr. Hunt had a map of the stormwater inlets that were required to be covered during the next year according to the District's MS4 permit. **Mr. Hunt confirmed that he knew the location and number of the inlets that would need to be covered and stated that he would create an informational document for the booster club setting forth the scope of the project, the required materials, and specifying how each inlet would need to be covered.**

Director Asbury then stated that the Board would receive a report from the District's bookkeeper and recognized Ms. Kolmodin. Ms. Kolmodin presented the bookkeeper's report attached as **Exhibit "F"** and reviewed the bills and invoices and account activity for the District's operating, manager's, and lock box accounts; the account balances; the pledged securities reports; the budget comparison; the debt service payment schedule; the balance sheet; the tax collection report; the recycling rebate report; the monthly transfers; and the latest quarterly investment report. She recommended approval of the bills and invoices and the transfers. After discussion, upon motion by Director Alger and second by Director Black, the Board voted unanimously to approve the bills, invoices, and transfers, as presented.

Director Asbury then stated that the Board would receive a report from the District's general manager and utility operator. Mr. Hunt first presented the operations report attached as **Exhibit "G"** and reviewed his directives from the prior Board meeting. He reported that water loss was at $\pm 0.52\%$ for the year and $\pm 7.27\%$ for the month of December, noting that he suspected a leak had caused the increase in water loss for the month of December and that he was investigating the source of the leak. He reported that there were no issues with water quality and the utility system was generally operating well. He reported that the District was under voluntary watering restrictions, there were no issues with the website, there had been no serious solid waste/recycling collection issues, and the monthly recycling rebate was \$26.55. He added that the billing report was healthy and that he did not have any write-offs to present this month. Mr. Hunt then stated that the District had received notice of annual consumer price index ("**CPI**") rate adjustment under the District's Contract with Central Texas Refuse ("**CTR**"). He stated that the adjustment was in accordance with the contract and that the rate would be increasing to \$18.12. He stated that he recommended that the District wait to pass the increase through to residents until it was determined whether or not there would also be changes to the water and wastewater rates. He stated that, if there were no other rate increases by the end of the quarter, the District could slightly increase the base rate in order to accommodate the CPI rate increase. Director Asbury inquired if there had been any complaints about missed trash pickups. Mr. Hunt responded that he was not aware of any complaints and reminded the Board to notify him if there were any issues. Mr. Hunt then stated that he had updated the website with information about the sweeping that would take place under the County's roadway resurfacing program. Director Black asked if the County would use door handle notices for the sweeping. Mr. Hunt stated that the door handle notices were only used for the initial resurfacing, not the subsequent sweeping work, but noted that large signs would be placed in the streets to notify residents when sweeping in particular areas would be scheduled so that the residents could park in their driveways and avoid certain areas.

Director Asbury then recognized Ms. Scholl for purposes of receiving a report from the District's attorney. Ms. Scholl reviewed the directives from the previous Board meeting, which she stated were either complete or in process.

Director Asbury then announced that the Board would next convene in executive session for purposes of receiving legal advice regarding wholesale water and wastewater service, including the City's wholesale rate increases, as permitted by Section 551.071 of the Texas Government Code. The Board convened in executive session at 12:29 p.m. The Board reconvened in open session at 12:58 p.m. Director Reed-Green then moved to authorize the subcommittee to approve the joint engagement of special legal counsel to represent the District and the other participating districts if it was determined that the participating districts should proceed with a rate appeal and to authorize the subcommittee to take any other related action. Upon second by Director Wells, the motion was adopted.

Director Asbury next announced that the Board would consider its future meeting schedule and agenda items, and the Board confirmed that the next meeting would be held as scheduled on Monday, February 12th.

There being no further business to come before the Board, the meeting was adjourned at 1:03 p.m.



Heath Reed-Green
Board of Directors

Date: February 12, 2018