

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

March 11, 2019

THE STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on March 11, 2019, 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
Heath Reed-Green	-	Vice President
Carl R. Black	-	Secretary
Leslie Alger	-	Assistant Secretary
Jacob Matto	-	Assistant Secretary

and all of the Directors were present, except for Director Carl Black, thus constituting a quorum. Also present at the meeting were Lisa Torres of Crossroads Utility Services LLC, the District’s general manager and utility operator; Herb Edmonson of Gray Engineering, Inc., the District’s engineer; Allen Douthitt of Bott & Douthitt, PLLC, the District’s bookkeeper; and Jenn Scholl of Armbrust & Brown, PLLC, the District’s general counsel.

Director Asbury called the meeting to order at 12:09 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 approving the minutes of the February 11, 2019 Board meeting. Upon motion by Director Reed-Green and second by Director Matto, the Board voted 4-0 to approve the minutes.

Director Asbury then stated that the Board would consider a Landscape Maintenance Agreement with Native Land Design, LLC. Ms. Torres stated that the Vista Oaks Owner’s Association, Inc. (the “HOA”) had indicated that they were not interested in entering into a license agreement to maintain the District’s maintenance areas, so the District would need to hire a contractor to maintain the areas. She then presented the Landscape Maintenance Agreement with Native Land Design, LLC, attached as **Exhibit “B”** and recommended approval. Director Alger asked how if the agreement with Native Land Design, LLC was different from the prior landscape maintenance agreement. Ms. Torres explained that the prior landscape agreement did not include the lift station and provided for eight service visits per year for \$2,500 per service visit, while the agreement with Native Land Design, LLC would include the lift station and provide for 16 service visits per year for \$910 per service visit. After discussion, upon motion by Director Reed-Green and second by Director Alger, the Board voted 4-0 to approve the Landscape Maintenance Agreement. Mr. Edmonson stated that he would contact Native Land Design, LLC to see if they were interested in submitting a bid for the beautification project.

Director Asbury then stated that the Board would next discuss the RM 1431 roadway widening project, Texas Department of Transportation noise attenuation study, and related matters. Mr. Edmonson reported that construction of the sound wall was complete and he recommended that Crossroads install t-post markers at all valves so the valves could be located even if the area became overgrown. **The Board agreed with Mr. Edmonson's recommendation and requested that Ms. Torres investigate installing t-post markers at all of the valves.**

Director Asbury then stated that the Board would next discuss the wholesale water and wastewater service, including update on City of Round Rock wholesale rate increases and rate appeal. Ms. Scholl 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 then stated that the Board would next discuss the pass through utility service under the Agreements for Pass-Through Wastewater Service with BJM Mayfield Ranch, Ltd. and Continental Homes of Texas, L.P., including the Amendment to Pass-Through Agreements. Ms. Scholl presented the Amendment to Pass-Through Agreements attached as **Exhibit "C"**. She reported that the amendment had been approved by the City of Round Rock (the "City") and she recommended approval. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted 4-0 to approve the Amendment to the Pass-Through Agreements.

Director Asbury stated that the Board would receive the security report and consider taking related action. Ms. Torres stated that the report was not ready in time for the meeting so she would present it at the next Board meeting.

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 "D"**, and reviewed it with the Board. Mr. Edmonson reported that he had requested proposals for the beautification project and should have the proposals ready to present at the April Board meeting, noting that he would contact Native Land Design, LLC to see if they were interested in submitting a proposal. Ms. Scholl then presented the Williamson County License Agreement [C.R. 175-Sam Bass Road and Vista Isle Drive] with the Board, attached as **Exhibit "E"** and requested authorization to negotiate the license agreement with the County, noting that the license agreement would be required in order to construct the beautification project within the County's right-of-way. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted 4-0 to authorize negotiation of the license agreement. Mr. Edmonson then reported that he had met with the contractor for the amenity center lot fence project to verify the proposed alignment and construction should be completed by the end of the week. He stated that the contractor had submitted an invoice for the remainder of the work and he recommended that the Board approve the invoice subject to final completion and receipt of all close-out items. Ms. Torres stated that the HOA had requested that one of the Directors be available to pose for a picture with the HOA Board once the fence was completed, noting that the picture would be posted on the HOA's website. After discussion, upon motion by Reed-Green and second by Director Alger, the Board voted 4-0 to authorize Director Black to represent the District in a picture in front of the completed fence and to approve payment of the final invoice to the contractor, subject to final inspection by the District's engineer and receipt of all required close-out documents. Mr. Edmonson then reported that he had requested proposals for the amenity center lot wall project and should have proposals ready to present to the Board at the April Board meeting. Ms. Torres reported that she was working to obtain the easements

for the wall project from all of the homeowners. She reported that several of the homeowners had questions about the easements and she stated that she and Ms. Scholl would follow up with homeowners. Mr. Edmonson stated that the easements with the HOA and the City would be finalized once the surveys were completed. He then stated that he had received an invoice for the surveys from Abram Dashner, RPLS, LLC in the amount of \$2,500, attached as **Exhibit "F"**. Ms. Scholl pointed out that the Board had previously approved a proposal in the amount of \$4,650 but explained that the Board would need to approve a revised proposal for the work because the scope had changed, noting that the surveyor had provided a revised proposal in the amount of \$2,500. Mr. Edmonson stated that he had not reviewed the revised proposal and he requested that the Board postpone taking action on the invoice and revised proposal until the next Board meeting. The Board agreed to do so.

Director Asbury next recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt presented the accounting report and updated cash activity report attached collectively as **Exhibit "G"** and reviewed them with the Board. He requested approval of a transfer in the amount of \$10,539.71 from the District's operating account to the District's bookkeeper's account, a transfer in the amount of \$113,978.26 from the District's TexPool Tax Account to the District's TexPool Operating Account, a transfer in the amount of \$100,000 from the TexPool Tax Account to the District's TexPool Debt Service Account, and a transfer in the amount of \$130,000 plus accrued interest from the Spirit of Texas Bank CD to the District's TexPool Operating Account, as indicated on the first page of his report. Mr. Douthitt reviewed the financial statements, tax collection report, budget comparison, checks that had been written out of the bookkeeper's account since the last Board meeting, and the disbursements being presented for approval, noting that the per diem for Director Black would need to be voided due to his absence. He pointed out that the District had a positive budget variance of \$30,882.80 and about 98% of the District's 2018 taxes had been collected. Upon motion by Director Alger and second by Director Matto, the Board voted 4-0 to approve the transfers and payment of the bills and invoices, as presented, with the void noted.

Director Asbury then stated that the Board would receive a report from the District's general manager and utility operator. Ms. Torres presented the operations report attached as **Exhibit "H"**. She reviewed the directives from the last Board meeting. She stated that both of the new bulletin boards used to post notice of the Board meetings had been installed and that the HOA had been provided with a key for the HOA's side of the bulletin boards. She reported that water loss was at $\pm 43.88\%$ for the month of February and she explained that the reason for the increase was due to an error in how the data was being entered into the reports, noting that she would present an updated report with the correct information at the next Board meeting. She confirmed that all test results were satisfactory, there were no issues with water quality, and the utility system was generally operating well. She next reported that there had been two reports of missed pickups for solid waste/recycling collection that had since been resolved and the latest monthly recycling rebate was \$8.68. Ms. Torres reported that the District was under voluntary watering restrictions, and there were no issues with the website. She requested approval of one write-off in the amount of \$117.91. She then presented the proposal from Westlake Home and Commercial Services for power washing the CMU walls attached as **Exhibit "I"** in the amount of \$16,145.00 and recommended approval, noting that the contractor could begin work on March 25th if the proposal was approved and that the proposal included cleaning the lift station. Ms. Torres then stated that the HOA had informed her that several residents had complained that there were not enough street lights along Royal Vista and Vista Isle. She stated that she had visited the area during the day and at night indicated that there were several darker areas, especially on Vista Isle, where the street lights were sparse. The Board discussed street lights in the area, the potential impact street lights would have on the

adjacent homeowners, and possible alternatives to street lights. Mr. Edmonson stated that it would be possible to install sidewalk lights or wall sconces on the left side of Royal Vista and he recommended that the Board consider installing street lights or sidewalk lights along Vista Isle. **The Board then directed that Ms. Torres obtain rough pricing estimates from Suntech for lighting options along Royal Vista and Vista Isle.** Mr. Edmonson then recommended that the license agreement with the County for the beautification project be amended to include the installation of street lights along the entire length of Vista Isle in case the District decided to install street lights instead of sidewalk lights in that area. The Board concurred with Mr. Edmonson. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve the write-off and the proposal.

Director Asbury then stated that the Board would receive the attorney's report and recognized Ms. Scholl. Ms. Scholl reviewed the consultant directives report and noted that all items were in progress or completed. She then presented the email correspondence attached as **Exhibit "J"** and stated that the County Commissioners Court was requesting input on possible projects to include in a potential bond election in November of 2019. The Board discussed possible projects that the Board would like to see included in the County's bond election, such as sidewalks, a roadway between the greenbelt. Ms. Scholl stated that she would share this information with Mr. Hunt in case he had any input.

At 12:57 p.m., Director Asbury stated that the Board would next consider matters related to wholesale water and wastewater service and would convene in executive session in order to receive legal advice regarding the City of Round Rock's wholesale rate increases and possible rate appeal, as permitted by Section 551.071 of the Texas Government Code. At 1:01 p.m., the Board reconvened in open session and Director Asbury announced that no action had been taken in executive session. Ms. Scholl then stated that, under the Interlocal Cooperation Agreement Related to Coordinated Wholesale Rate Appeal, any outside consultants engaged by Gilbert Wilburn, PLLC would need to be approved by the Participating Districts. She stated that Gilbert Wilburn, PLLC had engaged Carlton Law Firm P.L.L.C. as an outside consultant and recommended approval of the engagement. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted 4-0 to approve Gilbert Wilburn, PLLC's engagement of Carlton Law Firm P.L.L.C. as an outside consultant.

There being no further business to come before the Board, the meeting was adjourned at 1:04 p.m.

Date: April 8, 2019

(SEAL)





Carl R. Black, Secretary
Board of Directors