

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

May 11, 2015

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on May 11, 2015, 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:

Douglas Mink	-	President
Leslie Alger	-	Vice President
Mike Asbury	-	Secretary
Keith E. Young	-	Assistant Secretary
Robert Wells	-	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; Keli Kirkley of Municipal Accounts & Consulting, L.P., the District's bookkeeper; Nathan Neese of RMD Holdings, LP; and John Bartram of Armbrust & Brown, PLLC, the District's general counsel.

Director Mink called the meeting to order at 12:06 p.m. and stated that the Board would first receive citizens' communications and Board member announcements. Mr. Hunt stated that he had received an email from a resident who expressed concerns about the widening of FM 1431 and asking what the District was going to do to help. He stated that he would address this issue in more detail under the future fencing agenda item.

There being no further citizens' communications or Board member announcements, Director Mink stated that the Board would next consider approving the minutes of the April 13, 2015 Board meeting. Upon motion by Director Young and second by Director Mink, the Board voted unanimously to approve the minutes.

Director Mink then stated that the Board would consider approving revised minutes of the January 12, 2015 Board meeting. Mr. Bartram explained that the operations report presented at the January meeting had been inadvertently omitted from the minutes and that he was recommending that the original minutes be officially revised to include the missing operations report. Upon motion by Director Young and second by Director Asbury, the Board voted unanimously to approve the revised minutes of the January 12, 2015 Board meeting.

Director Mink next announced that the Board would consider revisions to the District's water conservation and drought contingency plan. Mr. Hunt reported that the City of Round Rock had recently updated its water conservation and drought contingency plan. He reminded the Board that the District's wholesale water and wastewater contract with the City required the

District to maintain a water conservation and drought contingency plan that was at least as restrictive as the City's, and he stated that he had updated the District's plan accordingly. He stated that the main changes related to the filling of swimming pools and ornamental fountains and adjusting the Stage 2 watering schedule. Director Mink asked if the District was obligated to use the exact same watering schedule as the City. Mr. Hunt stated that, due to media publication of the watering schedule, it was more efficient to use the City's schedule. After discussion, upon motion by Director Wells and second by Director Young, the Board voted unanimously to approve the Order Adopting Revised Water Conservation and Drought Contingency Plan attached as **Exhibit "B"**.

Director Mink then stated that the Board would consider taking action regarding pass-through utility service to the Palmer tract and the Williamson County Regional Park. Mr. Bartram presented updated drafts of the revised water and wastewater pass-through agreement with Williamson County for the regional park and the wastewater pass-through agreement for the Palmer tract, redlined copies of which are attached collectively as **Exhibit "C"**. He stated that it was his understanding that the Palmer tract agreement was final and had been executed by the developer. He indicated that additional comments from the City and County had been incorporated into the County Park agreement and that there had been no communication from the City or County in several days, which, he stated, had led him to believe that the County Park agreement could also be considered final. Mr. Neese confirmed that the developer had executed the Palmer tract agreement and was anxious to get it approved by the City and the District. However, he did note that the developer was concerned about the refundability of the capacity charge if, after payment, the developer subsequently determined that the Palmer tract was not feasible for the developer's intended use and terminated the underlying purchase contract. Discussion ensued, and the Board generally agreed that this issue could be addressed later, if necessary, and recognized that, if the developer's project was not moving forward, then the Board may not want to leave the capacity allocated to the Palmer tract "stranded" indefinitely. After further discussion, upon motion by Director Young and second by Director Asbury, the Board voted unanimously to approve the latest drafts of the Palmer tract and County Park pass-through agreements. Mr. Bartram stated that he would coordinate signature by the District upon receipt of all other parties' counterparts.

Director Mink next announced that the Board would consider taking action regarding wholesale water and wastewater service, including the City's proposed rate increases. Mr. Hunt directed the Board's attention to the correspondence between the City and the rate analyst representing the wholesale MUD customers attached collectively as **Exhibit "D"**. He explained that a follow-up meeting with the City and its rate consultant had been scheduled for May 18th and that the City had postponed approval of the new wholesale rates pending the outcome of that meeting.

Director Mink then stated that the Board would consider matters related to arbitrage rebate and yield restriction compliance for the District's outstanding bond issues. Mr. Bartram directed the Board's attention to the report from Arbitrage Compliance Specialists, Inc. relating to the District's 2010 refunding bonds, a copy of which is attached as **Exhibit "E"**. He stated that the report indicated that no further action was required at this time; however, he pointed out that a tenth-year arbitrage rebate report was required in 2020 for the District's 2010 refunding bonds.

Director Mink then stated that the Board would consider taking action regarding capital improvement projects and recognized Mr. Edmonson for a report on Phase 3 of the wall project. Mr. Edmonson reported that he was in the process of scheduling a preconstruction meeting and that the contractor was in the process of finalizing its materials submittals. He indicated that a notice to proceed would be issued after those items were completed. Director Mink asked if any

trees would need to be removed. Mr. Edmonson estimated that there were ±5 trees that would need to be taken out; however, he stated that most of those were either already dead or within groups of other trees. Mr. Hunt recalled that the District had previously hosted an informational meeting for residents prior to construction of the first two phases of the fence project, and he asked if the Board wanted to do something similar for Phase 3. Mr. Edmonson stated that the contractor would be installing a sample of the Phase 3 wall near the completed Phase 1 wall soon, and he suggested that the meeting with residents be coordinated after that so that everyone could see the sample. The Board agreed, and Mr. Hunt stated that he would stay in touch with Mr. Edmonson on the timing. Mr. Hunt then addressed future wall/fence project phasing and indicated that he would initiate consideration of designing the Arterial H / Sam Bass Road phase as soon as the County Park pass-through agreement, which included cost-participation from the County, was finalized. Mr. Hunt next updated the Board on the status of the FM 1431 road-widening project and directed the Board's attention to the schematic depictions of the intersection improvements in front of the District attached collectively as **Exhibit "F"**. He noted that this area included three high-speed lanes and a new turn lane. Mr. Bartram then updated the Board on the status of his research into the legal sound attenuation requirements. He explained that Jenn Scholl, an attorney in his office, had made contact with Texas Department of Transportation ("*TXDOT*") and had learned that, for whatever reason, the noise study completed for the FM 1431 project did not include the portion of the improvements being constructed in front of the District. He stated that Mr. Hunt had scheduled a meeting with TXDOT and City of Cedar Park representatives on May 14th to discuss the issue further, and he asked if the Board would like Ms. Scholl to attend. The Board generally agreed that it would be a good idea for Ms. Scholl to attend to learn firsthand additional details about the project. Director Mink asked if there was anything else that the District could or should be doing legally at this time. Mr. Bartram suggested that that question be evaluated after the meeting on the 14th. The Board concurred.

Director Mink then stated that the Board would receive the security report and consider taking related action. Mr. Hunt stated that he had not yet received the latest monthly security report from Sgt. Breder; however, he reported that Sgt. Breder had advised him that a new deputy would be conducting bicycle patrols in the District during the summer months.

Director Mink stated that the Board would next receive a report from the District's engineer and recognized Mr. Edmonson. Mr. Edmonson reviewed his report, attached as **Exhibit "G"**, and stated that he had nothing further to report at this time.

Director Mink then stated that the Board would receive a report from the District's bookkeeper. Ms. Kirkley first presented the bookkeeper's report attached as **Exhibit "H"** 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; and the monthly transfers. She recommended approval of the bills and invoices and pointed out that approximately 98.13% of the District's 2014 tax levy had been collected. A brief discussion regarding the status of the Directors' CASE Conference registrations ensued. Director Alger then asked for the back-up support for the unclaimed property check included on the list of bills and invoices. Ms. Kirkley stated that she would email that information to Director Alger after the meeting. After discussion, upon motion by Director Alger and second by Director Wells, the Board voted unanimously to approve the bills, invoices, and transfers as presented.

Director Mink next recognized Mr. Hunt for purposes of receiving a report from the District's general manager and utility operator. Mr. Hunt first addressed his outstanding directives, noting that Round Rock Refuse had sampled recycling participation recently and that

65% of residents were participating in recycling. Mr. Hunt then directed the Board's attention to the operations report attached as **Exhibit "I"**. He addressed water accountability, noting that water loss was $\pm 2.5\%$ for the month and was averaging $\pm 1.7\%$ for the year. He confirmed that all test results were satisfactory. He then reviewed the billing and delinquent accounts reports and recommended approval of one write-off. He also reviewed the District's 2014 Consumer Confidence Report, noting that, although the report indicated a very small presence of Atrazine, which was a fertilizer typically occurring in run-off, the District's water supply was, overall, in good condition. Mr. Hunt then concluded by reporting that there had been no complaints regarding solid waste collections and that the monthly recycling rebate was \$17. Upon motion by Director Asbury and second by Director Alger, the Board voted unanimously to approve the recommended write-off.

Director Mink next announced that the Board would consider taking action regarding budget and tax items. Mr. Bartram reviewed the notice from the Williamson County Tax Assessor/Collector advising taxing entities of the 2015 per-parcel collection fee, the Williamson Central Appraisal District's estimated 2015 taxable value for the District, and the memo summarizing the schedule and process for adopting a budget and setting a tax rate attached collectively as **Exhibit "J"**. He noted that the process was scheduled to be completed at the August and September Board meetings, and he asked the Directors to calendar those meetings for quorum purposes.

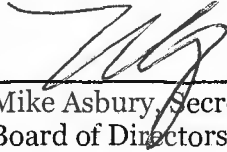
Director Mink then recognized Mr. Bartram for purposes of receiving a report from the District's attorney. Mr. Bartram reviewed the consultant directives from the previous Board meeting, which he stated were either complete or in process. He then concluded by alerting the Board to the TCEQ's annual public drinking water conference in August.

Director Mink then stated that the Board would consider its future meeting schedule and agenda items. Mr. Bartram noted that the June meeting was the week of the CASE Conference. After discussion, the Board agreed that the June meeting would be held as scheduled on the 8th.

Director Mink then asked if there was any further business to come before the Board. There being none, the meeting was adjourned at 1:11 p.m.

(Signature page follows.)





Mike Asbury, Secretary
Board of Directors