

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

June 11, 2018

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on June 11, 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 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; Alexia Kolmodin of Municipal Accounts & Consulting, L.P., the District's bookkeeper; Allen Douthitt of Bott & Douthitt, PLLC; 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. Director Black stated that several residents had posted in the Next Door social network for Vista Oaks that the District would be constructing a pedestrian bridge. He stated that he did not think that the Board had agreed to construct a pedestrian bridge and explained that he wanted to verify that fact before he wrote a post to correct any misunderstanding. The Board discussed how potential future projects, including a pedestrian bridge, were considered at prior Board meetings, but confirmed that these were only potential projects and the District had not committed to any particular projects at this time.

Director Asbury then stated that the Board would consider the minutes of the May 14, 2018 Board meeting. Upon motion by Director Reed-Green and second by Director Black, the Board voted unanimously to approve the minutes.

Director Asbury then stated that the Board would consider budget and tax items. Ms. Scholl called the Board's attention to the preliminary estimate of 2018 taxable value from Williamson Central Appraisal District attached as **Exhibit "B"**. She then reviewed the proposed schedule for adoption of the 2018-2019 budget and 2018 tax rate attached as **Exhibit "C"** with the Board and requested that the Board members confirm their attendance at the August and September Board meetings, noting that it was important that a quorum be present.

Director Asbury then stated that the Board would receive an update on the RM 1431

roadway widening project, the TXDOT noise attenuation study, and related matters. Mr. Edmonson stated that he did not have any updates at this time, but noted that he would be periodically monitoring the progress and that he would keep the Board updated.

Director Asbury then stated that the Board receive an update on wholesale water and wastewater service, including the City's wholesale rate increases. Ms. Torres reported that the City Council had received Randy Wilburn's final letter alerting the City Council to the concerns of the five affected districts and urging the City Council to intervene before a formal rate appeal becomes necessary. She stated that a meeting to discuss the letter should be scheduled soon.

Director Asbury stated that the Board would receive the security report and consider taking related action. Ms. Torres presented the security reports for the months of March and April attached collectively as **Exhibit "D"** and reviewed them 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 directed the Board's attention to the report attached as **Exhibit "E"**. He stated that he had received a proposal from Pharis Design in the amount of \$6,500, a copy of which is attached as **Exhibit "F"**, for preparation of concept plans for landscaping improvements along the Sam Bass Road right-of-way and the Vista Isle entryway. He reviewed the proposal with the Board and stated that the District's legal counsel had several comments to the proposal that would need to be addressed. Mr. Edmonson noted that the District would also need to obtain all of the necessary license and easement agreements that would allow the District to construct the proposed landscaping agreements. Ms. Scholl stated that Mr. Hunt was working with the HOA to determine what landscaping improvements the HOA would be willing to maintain on an ongoing basis and explained that the parties' maintenance obligations would need to be determined before the necessary license and easement agreements could be obtained. The Board discussed the possibility of constructing the proposed landscaping improvements in phases. Director Reed-Green asked if the proposal included an estimate to install landscaping improvements in the low spot on Royal Vista. Mr. Edmonson confirmed that it did not. **After discussion, the Board directed that: (i) Mr. Edmonson obtain a revised proposal from Pharis Design that would include landscaping improvements for the low spot on Royal Vista; (ii) the District's general manager continue to coordinate the District's plans with the HOA and determine responsibility for on-going maintenance obligations; and (iii) the District's legal counsel pursue the appropriate license and easements agreements for these areas once the responsibility for on-going maintenance obligations was determined.**

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 "G"** 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 the transfers. After discussion, upon motion by Director Wells 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. Ms. Torres first reviewed the general manager's directives. She stated that Andrew Hunt had installed a sample LED trail light fixture on pole #11 near the amenity center and requested that the Board let Mr. Hunt know if they had any input on the sample. She then presented the operations report attached as **Exhibit "H"**. She

reported that water loss was at $\pm 6.15\%$ for the month of May, that there were no issues with water quality, and that the utility system was generally operating well. She next reported that the District was under voluntary watering restrictions, that there were no issues with the website, and that there had been no serious solid waste/recycling collection issues. She requested approval of a write-off in the amount of \$60.69. After discussion, upon motion by Director Reed-Green and second by Director Wells, the Board voted unanimously to approve the write-off. Ms. Scholl next directed the Board's attention to the draft Trail Easement Agreement with the HOA attached as **Exhibit "I"**. She explained that the scope of the easement had been limited after input at the last Board meeting to cover trail lights only and she requested that the Board further confirm the scope of the easement by clarifying if it should allow for any number of trail lights or be limited to a specific number or if the easement should cover the entire greenbelt or only the portion where the trail lights are located. Discussion ensued. The Board generally agreed that the easement should not refer to a specific number of trail lights and that it should cover the entire greenbelt. Director Wells asked if the contractor that had submitted a proposal to replace the trail lights had evaluated the condition of the current light poles. Mr. Edmonson responded that he was not sure, but would check with Mr. Hunt. Ms. Torres then announced that Andrew Hunt had issued a request for proposals for bookkeeping services and that the District had received two responses. She distributed the proposal from Bott & Douthitt, PLLC, attached as **Exhibit "J"**, the proposal from Municipal Accounts & Consulting, L.P., attached as **Exhibit "K"**, and a summary of the proposals, attached as **Exhibit "L"**, and recommended that the responders be given an opportunity to address the Board. Mr. Douthitt first addressed the Board and reviewed his firm's proposal. He discussed his firm's qualifications and experience working with municipal utility districts and the personnel who would be providing services to the District. He then reviewed his firm's proposed fee structure and stated that his firm would charge a monthly fee for all bookkeeping services listed as basic duties and responsibilities in the District's request for proposals, his firm would charge a flat fee of \$750 to draft the annual audit report, and all other services would be billed at his firm's regular hourly rates. He noted that the monthly rate would include all expenses incurred in providing the bookkeeping services other than the check printing and courier fees, which he noted would be billed to the District. Discussion regarding the proposal from Mr. Douthitt's firm and his firm's proposed fee structure ensued. Ms. Kolmodin next addressed the Board and reviewed her firm's proposal. She stated discussed her firm's qualifications and experience, noting that her firm had been the District's bookkeeper for the past ten years, her firm had enjoyed working with the District, and her firm would like the opportunity to continue working with the District. She explained that her firm's proposal included a proposed bookkeeping services agreement that was identical to the current agreement with the District and she noted that her firm would be happy to negotiate any changes requested by the Board. The Board inquired about the fee structure under the current agreement. Ms. Kolmodin stated that the District would be billed a monthly fee for the services listed in Article I, and all other services would be billed at the bookkeeper's hourly rate, and the District would be billed for all out-of-pocket expenses incurred by the bookkeeper in performing the services. The Board then inquired about the bookkeeping services included within the monthly fee and the services that were billed at the bookkeeper's hourly rate. Ms. Kolmodin explained that the monthly fee covered services that were considered everyday bookkeeping items because work related to those services was performed every month and all other services were billed at the bookkeeper's hourly rate when the work was actually completed. She explained that the intent behind this fee structure was to avoid having the District pay a charge in the monthly fee for certain services when those services may not have been performed in a particular month. The Board discussed the contents of each firm's proposal, including each firm's experience and qualifications, proposed scope of basic and additional services, and the proposed structure for fees and expenses. After discussion, upon motion by Director Reed-Green and second by Director Wells, the Board voted unanimously to: (i) terminate the District's existing contract with Municipal Accounts & Consulting, L.P.; (ii) authorize Mr. Hunt and Ms. Scholl to give notice of such

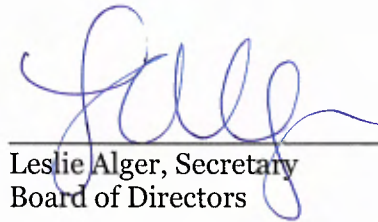
termination; and (iii) authorize negotiation of a new bookkeeping services agreement with Bott & Douthitt, PLLC based on the criteria set forth in the District's request for proposals to be effective upon termination of the existing contract.

Director Asbury then recognized Ms. Scholl for purposes of receiving a report from the District's attorney. Ms. Scholl stated that, unless the Board had any questions for her, she did not have anything specific to report on at this time.

There being no further business to come before the Board, the meeting was adjourned at 1:28 p.m.

(SEAL)





Leslie Alger, Secretary
Board of Directors

Date: July 9, 2018