

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

June 12, 2017

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on June 12, 2017, 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, except for Director Alger, 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 and 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 12:03 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 District resident requesting that the District consider additional tax exemptions. He explained that accepting additional tax exemptions would decrease the total taxable value, and suggested that he contact the District's financial advisor for a recommendation on the matter. **After discussion, Mr. Hunt stated that he would contact the District's financial advisor regarding the adoption of additional tax exemptions at the time the District's 2017 tax rate is considered.**

There being no further citizens' communications and Board member announcements, Director Asbury then stated that the Board would consider the following consent items on the Board's meeting agenda: the minutes of the May 8, 2017 Board meeting. He also called the Board's attention to the preliminary estimate of 2017 taxable value and the schedule for adopting 2017-2018 budget and 2017 tax rate. Upon motion by Director Wells and second by Director Reed-Green, the Board voted unanimously to approve the minutes.

Director Asbury then stated that the Board would consider the District's fence enhancement projects, and recognized Mr. Edmonson. Mr. Edmonson reported that the contractor had been notified that repairs to Phase 3 of the fence enhancement project were required and had begun marking the areas where repairs would be made by its subcontractor.

Director Asbury then stated that the Board would receive an update on the Arterial H

Phase 1 road construction and recognized Mr. Edmonson. Mr. Edmonson stated that the pond had been approved by all regulatory authorities. He reported that a pre-construction conference for Arterial H Phase 1 road construction had been held earlier in the month and that construction was underway.

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 met with TXDOT and that TXDOT was open to allowing the District to propose an alternative design, but noted that Gerrald Dunnivan, the HOA's representative, was opposed to the District getting involved. He stated that the District could construct an alternative sound wall as long as a majority of affected residents agreed to sign a document releasing TXDOT from its legal obligation to construct a sound wall and voted in favor of the District's proposed design. He noted that there would be a number of unknown expenses if the District constructed the wall, including engaging an engineer to conduct a sound study. Mr. Hunt reported that TXDOT was about 60% complete with the design of its sound wall and that the design should be completed within the next 30 days. He recommended that the District wait to get involved until TXDOT completed its design because at that point, the affected residents would know if they were unhappy with the finalized design. He stated that at least two residents had confirmed that the existing red brick wall was located on their property, so if the District took over responsibility for the sound wall, the District would need to obtain an easement from these residents and construct a replacement wall for them.

Director Asbury then stated that the Board would receive an update on the Round Rock-Leander 138-kV transmission line. Mr. Hunt stated that the Public Utility Commission had finalized the route for the transmission line and that the route would run down Ronald Reagan Boulevard along FM 1431. He stated that the transmission line would not run along the west side of Sam Bass Road or Arterial H.

Director Asbury stated that the Board would next consider arbitrage rebate and yield restriction compliance for the District's outstanding bond issues. Ms. Scholl directed the Board's attention to the Annual Maintenance for Arbitrage Analysis Report from Municipal Risk Management Group, L.L.C. attached as Exhibit "B". She stated that the report indicated that no further action was required at this time with respect to most of the prior bond issues; however, she pointed out that a tenth-year arbitrage rebate report was required in 2020 for the District's 2010 refunding bonds.

Director Asbury then stated that the Board would receive the security report and consider taking related action. Mr. Hunt directed the Board's attention to the security report attached as Exhibit "C" and stated that he was not aware of any significant issues.

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". He reported that the 5-year televising project was complete and that his firm had issued the certificate of compliance. He stated that there were five indications of small sags within the system, but that nothing needed to be repaired by the TCEQ and there were no big issues to report. He then presented Pay Estimate No. 2 in the amount of \$21,554.20 and Change Order No. 1 in the amount of \$385.51 attached as Exhibits "E" and "F", respectively, for the 5-year televising project and recommended approval. He then stated that the ponds for the Gardens at Mayfield Ranch had been approved by all regulatory authorities, a pre-construction conference had been held earlier in the month, and construction was anticipated to begin later in the week. After discussion, upon motion by Director Wells and second by Director Reed-

Green, the Board voted unanimously to approve the Pay Estimate and Change Order, as recommended.

Director Asbury then stated that the Board would receive a report from the District's bookkeeper and recognized Ms. Kirkley and Ms. Kolmodin. Ms. Kirley announced that she would be leaving her current position for a new job and that Ms. Kolmodin would handle all future bookkeeping matters for the District. 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, nothing that the per diem to Director Alger would be voided due to her absence at the meeting. After discussion, upon motion by Director Black and second by Director Reed-Green, 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 "H"**. He reviewed his directives from the prior Board meeting. He reported that he had received an estimate in the amount of \$4,650 for the installation of one street light on Vista Isle Drive and recommended that the District install more than one street light in the area. Director Wells stated that he would like to see a list of options of where a second street light could be installed. **Mr. Hunt stated that he would bring a list of options of where a second street light could be installed on Vista Isle Drive to the next Board meeting.** He then reported that water loss was around -1% for the year. He stated that there were no issues with water quality and the utility system was generally operating well, nothing that a manhole in the greenbelt had been repaired. He stated that the billing report was healthy with no write-offs, Round Rock was under voluntary restrictions, and there had been no solid waste/recycling collection complaints. He then reviewed the 2016 Consumer Confidence Report, noting that, although the report indicated a very small presence of Simazine and Atrazine, a herbicide and fertilizer that typically occur in run-off, the District's water supply was, overall, in good condition. Director Asbury stated that he had noticed loose rock in several areas of the roadway that had been resurfaced by Williamson County. **Mr. Hunt stated that he would notify Williamson County and have them sweep up the rock.**

Director Wells then recognized Ms. Scholl for purposes of receiving a report from the District's attorney. Ms. Scholl reviewed the consultant directives report and noted that all prior directives were either complete or in process.

Director Wells next announced that the Board would consider its future meeting schedule and agenda items.

There being no further business to come before the Board, the meeting was adjourned at 12:39 p.m.



Date: July 10, 2016

Heath Reed-Green, Assistant Secretary
Board of Directors