

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

June 13, 2016

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on June 13, 2016, 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
Bowman Mires	-	Assistant Secretary

and all of the Directors were present, except for Director Mires, 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; Don Bayes of Gray Engineering, Inc., the District's engineer; Keli Kirkley of Municipal Accounts & Consulting, L.P., the District's bookkeeper; and Jennifer Scholl of Armbrust & Brown, PLLC, the District's general counsel.

Director Asbury 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 announced that Director Mires had moved out of his home and that, because Director Mires was no longer eligible to be on the Board, the Board would need to find a replacement to fill Director Mires' vacancy.

There being no further citizens' communications or Board member announcements, Director Asbury stated that the Board would next consider approving the minutes of the May 9, 2016 Board meeting. Upon motion by Director Reed-Green and second by Director Wells, the Board voted unanimously to approve the minutes.

Director Asbury then stated that the Board would consider the fence enhancement projects, and recognized Mr. Bayes. Mr. Bayes first reported on the status of Phase 3. He stated that he had received verbal confirmation that all of the punch list items for irrigation repairs had been made, however, a car struck a portion of the fence resulting in damage to the fence and surrounding vegetation. Mr. Hunt then reviewed the photographs attached as Exhibit "B" and the police crash report attached as Exhibit "C" with the Board. Mr. Bayes stated that, under the contract, the contractor still owned the fence and was responsible for repairing the fence and revegetating the surrounding areas before the District would be required to accept project as complete. He stated there was a question as to whether the District or the contractor should file a claim with the driver's insurance company. Mr. Hunt recommended that the contractor file a claim to recover the costs of repairing the fence and revegetating the surrounding area and the District file a claim to recover any additional costs incurred by the District as a result of the

collision, such as additional engineering inspection fees. Mr. Bayes anticipated that he would have the final pay estimates, including retainage, ready to present to the Board at the next Board meeting.

Mr. Bayes next reported on the status of Phase 4 of the fence enhancement project. Mr. Hunt reported that he had obtained a majority of the easements from the homeowners, with the exception of several homeowners on Rock Hill Road that wanted more details about the project. He noted that he would keep the residents updated and continue working on getting all the easements. He reported that the license agreements with the City and Williamson County had been approved and that the Palmer family had approved the easement and Agreement Regarding Fencing for the Gardens at Mayfield Ranch Commercial Parcel No. 2, but noted that the agreements with the Palmer family would not be finalized until the final construction costs were known. Mr. Bayes stated that Fencecrete America, Inc. had submitted a proposal for Phase 4 and he reviewed his letter of recommendation attached as **Exhibit "D"** with the Board. Mr. Bayes explained that the proposal was for a base bid amount and also contained an additional option for an add/alternative item covering the Palmer commercial tract where the alignment of Arterial H veers away from the back lot lines. Director Wells asked how long the Board would have to respond to the proposal and Mr. Bayes responded that the prices would be held for 60 days. Mr. Bayes noted that the proposal only covered the costs of cutting the minimum vegetation required to access the area and did not include the cost of clearing all of the vegetation. Mr. Hunt stated that, before the Board considered hiring a landscaper to clear additional vegetation, he would look into whether the vegetation would be cleared by any of the other construction projects in the area. Upon motion by Director Wells and second by Director Reed-Green, the Board voted unanimously to accept the base bid proposal and the add/alternative item proposal, subject to the contractor's compliance with HB 1295.

Mr. Hunt then directed the Board's attention to the email from Williamson County regarding the Arterial H Phase 1 road construction project attached as **Exhibit "E"** and stated that the project was expected to begin this summer.

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 did not have any updates to report at this time. Director Asbury inquired if it was possible for the affected homeowners that voted in favor of the sound wall to change their minds and allow the District to construct a sound wall. Mr. Hunt responded that, due to the number of affected homeowners that voted in favor of the wall, it was unlikely that the affected homeowners would change their votes. He noted that TXDOT was now legally obligated to construct the sound wall. Mr. Hunt stated that he would continue to keep in contact with TXDOT for any updates.

Director Asbury then stated that the Board would receive an update on the Round Rock-Leander 138-kV transmission line project. Mr. Hunt stated that Williamson County had conducted a hearing on the project and that, even though the District likely did not have standing because it was not technically a landowner, he would review the recordings of the hearing and update the Board at the next Board meeting.

Director Asbury then stated that the Board would consider matters related to 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 "F"**. 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 stated that he did not have any major issues to report other than the vehicle that had struck a portion of Phase 3 of the fence.

Director Asbury then stated that the Board would receive a report from the District's engineer and recognized Mr. Bayes. Mr. Bayes stated that he had nothing further to report at this time.

Director Asbury then stated that the Board would receive a report from the District's bookkeeper and recognized Ms. Kirkley. Ms. Kirkley 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; the monthly transfers; and the latest quarterly investment report. She stated that she would void the per diem to Director Mires due to his absence and pointed out that approximately 98.60% of the District's 2015 tax levy had been collected. Upon motion by Director Alger and second by Director Wells, the Board voted unanimously to approve the bills, invoices, and transfers as presented.

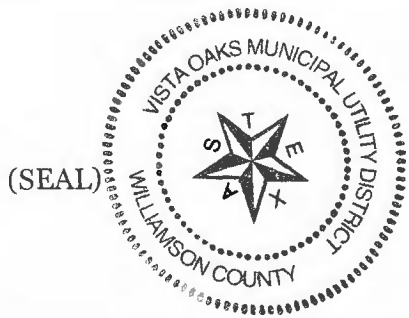
Director Asbury then stated that the Board would receive a report from the District's general manager and utility operator. Mr. Hunt first presented the operations report attached as **Exhibit "H"**. He noted that water loss had dropped to -0.1%. He stated that there had been no issues with water quality, noting that he would continue monitoring for any issues that tend to arise after heavy rains. He then reviewed the District's billing report, and requested approval of one write-off for this period. Mr. Hunt next reported that there had been no issues with solid waste or recycling collection and noted that the District received \$16 in recycling rebates and that the new rates had taken effect. He reported that the wastewater line for the Gardens at Mayfield Ranch had been plugged and connected to Williamson County's manhole and stated he would continue to monitor the line to ensure it remained plugged. Director Asbury asked if the District was linked to the Firewise program. Mr. Hunt stated that he did not think so, but because Firewise was a volunteer program where volunteers inspect homes within the community and make fire prevention recommendations to the homeowners, he would check with the HOA to see if the community was linked to the program. Director Alger asked if the meeting agendas were being posted on the District's website instead of being posted at the designated agenda posting location within the District. Ms. Scholl stated that she would verify the agenda posting method and report to the Board at the next meeting. Upon motion by Director Wells, and second by Director Alger, the Board voted unanimously to approve the write-off.

Director Asbury then recognized Ms. Scholl for purposes of receiving a report from the District's attorney. Ms. Scholl first reviewed the estimate of taxable value in the District from Williamson Central Appraisal District attached as **Exhibit "I"** and stated that the Williamson County per parcel collection fee for the 2016 tax year would be \$0.25, which was an increase from \$0.24 in the prior year. She then reviewed the proposed schedule for adoption of the budget and tax rate for the 2016 fiscal year, attached as **Exhibit "J"**, with the Board and requested that the Board members confirm their attendance at the August and September meetings, noting that it was important that a quorum be present.

Director Asbury next announced that the Board would consider its future meeting schedule and agenda items. After discussion, the Board confirmed that the next meeting would be held as scheduled on July 11, 2016.

There being no further business to come before the Board, the meeting was adjourned at 1:07 p.m.

(Signature page follows.)



Leslie Alger, Secretary
Board of Directors

Date: July 11, 2016