

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

July 8, 2019

THE STATE OF TEXAS                   §  
  §  
COUNTY OF WILLIAMSON           §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on July 8, 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 R. Black and Director Jacob Matto, thus constituting a quorum. Also present at the meeting were Andrew Hunt and 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; Tricia Melton of Bott & Douthitt, PLLC, the District’s bookkeeper; Corey Snell, Nick Asbury, and Denise Gordon, residents of the district; and Jenn Scholl of Armbrust & Brown, PLLC, the District’s general counsel.

Director Asbury called the meeting to order at 12:07 p.m. and stated that the Board would first receive citizens’ communications and Board member announcements. Director Reed-Green updated the Board on the CASE conference. Mr. Hunt then stated that there were several bills of interest discussed during the legislative update portion of the CASE conference that the District’s attorney would be reviewing with the Board at a future Board meeting, noting that a comprehensive property tax reform bill had been passed that would affect 2020 tax rates.

Director Asbury then stated that the Board would consider the director items on the meeting agenda. Ms. Scholl reported that Director Black had moved out of the District and had resigned from the Board, as reflected by the resignation letter attached as **Exhibit “B”**. Upon motion by Director Reed-Green and second by Director Alger, the Board voted 3-0 to accept the resignation of Director Black.

Ms. Scholl stated that Director Black’s resignation created a vacancy on the Board that could be filled by appointment. She indicated that Mr. Snell had expressed an interest in joining the Board and that he was qualified to serve. Mr. Snell introduced himself to the Board at this time. Ms. Gordon asked if there was a process for appointments to the Board. Ms. Scholl responded that Director Black’s resignation from the Board created a vacancy that could later be filled by appointment. Mr. Hunt responded that there had always been a qualified individual that had specifically reached out and expressed an interest in joining the Board when vacancies arose in the past, but noted that the Board welcomed any additional individuals interested and

was not required to fill the vacancy at today's meeting. Ms. Gordon stated that she would like to be considered as a candidate for appointment to the Board. After discussion, the Board decided to defer action on the appointment and requested that any interested applicants submit information to the District's operator for the Board to consider in making the appointment, such as a letter expressing their interest and/or resume.

Director Asbury stated that the Board would consider the minutes of the June 10, 2019 Board meeting. After discussion, upon motion by Director Reed-Green and second by Director Alger, the Board voted 3-0 to approve the minutes.

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 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 "C"**. 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. She then presented the engagement letter with Municipal Risk Management Group, L.L.C. for preparation of the ten-year arbitrage rebate report for the 2010 refunding bonds attached as **Exhibit "D"** and noted that the fee was identical to what was charged for the five-year report. The Board discussed the fee. Director Alger stated that she would like to request additional information prior to approving the engagement letter. After discussion, upon motion by Director Reed-Green and second by Director Alger, the Board voted 3-0 to authorize Director Alger, Mr. Hunt, and Mr. Douthitt to discuss any concerns they may have with Municipal Risk Management Group, L.L.C. and to approve the engagement letter, subject to all of the concerns raised by Director Alger, Mr. Hunt, and Mr. Douthitt being addressed.

Director Asbury then stated that the Board would next receive a report from Gardens at Mayfield developer regarding status of development. Ms. Scholl presented the email attached as **Exhibit "E"** and reviewed it with the Board. She reported that the original owners of the Gardens at Mayfield tract were in the process of re-platting their 4.995-acre lot in order to sell about two acres from the lot. She stated that the re-plat would not involve any zoning changes and would not affect the wastewater LUEs under the pass-through agreement. Mr. Hunt recommended that it be made clear to the owners of the lots that they are prohibited from tapping into water lines in front of property without prior approval under pass-through agreement with the City for the Williamson County Park, noting that there was also a well in the area that any contractors should be aware of. Mr. Hunt stated that he was not aware who was purchasing the lot or its proposed use, but noted that he would re-evaluate the matter once it was clear that the lot had been sold and that it was going through any required approvals.

Director Asbury stated that the Board would receive the security report and consider taking related action. Ms. Torres reviewed the security report attached as **Exhibit "F"** 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 reported that the contractor for the beautification project would schedule the work once the license agreement was executed by the County. Ms. Scholl stated that she had requested an update on the license agreement from the County and that the agreement would appear on the next County Commissioner's Court agenda for approval. Mr. Edmonson then stated that Beacon Construction has completed the CMU wall repairs that were approved at the June Board meeting and he recommended approval of the final invoice for the work. He noted that a resident had expressed concerns about the work but he had addressed all of the resident's concerns.

Director Asbury next recognized Ms. Melton for purposes of receiving the bookkeeper's report. Ms. Melton presented the accounting report and updated cash activity report attached collectively as **Exhibit "G"** and reviewed them with the Board. She requested approval of a transfer in the amount of \$6,856.88 from the District's operating account to the District's bookkeeper's account, as indicated on the first page of her report. Ms. Melton 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 diems for Director Matto and Director Black would need to be voided due to their absence. She pointed out that the District had a negative budget variance of \$9,475.92 and about 99.10% of the District's 2018 taxes had been collected. Upon motion by Director Alger and second by Director Reed-Green, the Board voted 3-0 to approve the transfer and payment of the bills and invoices, as presented, with the voids noted. Mr. Hunt noted that he would be meeting with the budget subcommittee, Mr. Douthitt, and the financial advisor soon to discuss the proposed budget for the 2019 fiscal year.

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 her directives from the prior Board meeting. She then reported that water loss was at 3.42% for the month of June. She confirmed that all lab results were satisfactory, there were no issues with water quality, and the utility facilities were generally operating well. She reported that the lift station had been struck by lightning and a new harness and control panel had to be installed. She stated that the repairs had been completed and the lift station was back in working order, noting that the repairs cost \$24,000 and that a claim for the costs had been filed with the District's insurance company. Director Alger inquired what the insurance deductible was. **Ms. Torres stated that she could not recall the exact number but would let the Board know at the next meeting.** Ms. Torres reported that the District was under voluntary watering restrictions, she did not have any write-offs to present, and the District's website had been updated. She reported that SunTech would be doing the trenching for the new streetlights on Royal Vista at the end of the month and the poles would be installed at the beginning of August. Mr. Hunt then stated that there had been some discussion in prior years about potential District projects that could be done prior to annexation and they had considered a prior request by the HOA for the District to maintain the HOA's irrigation facilities, however, it was determined that it was not advisable to maintain the HOA's facilities because the District would need to own facilities in order to maintain them and, if the District was annexed, the City would then own the facilities, noting that it would be more difficult to get the City to maintain the facilities.

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 prior directives were either complete or in process.

At 12:52 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 1:20 p.m., the Board reconvened in open session and Director Asbury announced that no action had been taken in executive session.

There being no further business to come before the Board, the meeting was adjourned at 1:20 p.m.

Date: August 12, 2019

(SEAL)



  
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Leslie Alger, Secretary  
Board of Directors