

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

July 11, 2016

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on July 11, 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; Herb Edmonson 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 12:10 p.m. and stated that the Board would first receive citizens' communications and Board member announcements. Mr. Hunt announced that Director Mires' home had sold. Ms. Scholl stated that she would contact Director Mires to confirm that he was no longer eligible to serve on the Board and obtain his resignation letter.

There being no further citizens' communications or Board member announcements, Director Asbury stated that the Board would next consider approving the minutes of the June 13, 2016 Board meeting. Director Reed-Green noted a correction to the June 13, 2016 minutes and moved that the minutes be approved, subject to such correction. Upon motion by Director Asbury and second by Director Wells, the Board voted unanimously to approve the minutes, as corrected.

Director Asbury then stated that the Board would consider the election items on the Supplemental Agenda. Ms. Scholl reminded the Board that director elections were held in November of every even-numbered year, and she stated that it was time to call the 2016 Director election. She stated that the election could be cancelled if uncontested. She then directed the Board's attention to the Order Calling Director Election for November 8, 2016, a copy of which is attached as **Exhibit "B"**. She recommended that the Board approve the Order calling the election and authorize her office to give notice of the election as required by law. She then confirmed that her office had already posted notice of the deadline to file an application for a place on the ballot, as required by the Texas Election Code. Ms. Scholl then reviewed the Joint Election Agreement and Contract for Election Services, a copy of which is attached as **Exhibit**

“C” and the Resolution Approving Election Agreement and Joint Election Agreement, a copy of which is attached as **Exhibit “D”**. She stated that, under this arrangement, Williamson County would staff and conduct early and election day voting for the District’s election at a cost that should be substantially lower than either purchasing or renting compliant voting equipment. She further stated that the District had the opportunity to conduct its election jointly with other jurisdictions, which would facilitate the conduct of the elections and enable District voters to vote a combined ballot for all applicable elections at a single polling location. At this time, Ms. Scholl reviewed the draft Joint Election Agreement and Contract for Election Services attached to the Resolution Approving Joint Election Agreement and Contract for Election Services. She noted that the Texas Election Code required the terms of a joint election agreement to be stated in a resolution, order, or other official action adopted by the Board and pointed out that the Resolution authorized the officers of the District to execute the agreement when finalized. After discussion, upon motion by Director Alger and second by Director Reed-Green, the Board voted unanimously to (i) approve the Order Calling Director Election for November 8, 2016, as presented; (ii) approve the Resolution Approving Joint Election Agreement and Contract for Election Services, including the form of Joint Election Agreement and Contract for Election Services attached thereto, as presented; and (iii) authorize the District’s attorney to give notice of the November 8, 2016 Director election.

Director Asbury then stated that the Board would consider fence enhancement projects, and recognized Mr. Edmonson. Mr. Edmonson first reported on the status of Phase 3. He stated that the contractor had successfully recovered the car collision wall repair costs from the contractor’s insurance company and Phase 3 was now complete. He presented and recommended approval of pay estimate no. 6 in the amount of \$17,335.56 and pay estimate no. 7 in the amount of \$23,329.73, attached as **Exhibits “E”** and **“F”**, respectively, and noted that these were the final pay estimates for Phase 3 of the fence enhancement project. He then recommended that the Board accept Phase 3 of the fence enhancement project as complete for maintenance and operation. Upon motion by Director Wells, and second by Director Reed-Green, the Board voted unanimously to approve the pay estimates, as presented, and accept Phase 3 of the project.

Mr. Edmonson next reported on the status of Phase 4 of the fence enhancement project. Mr. Hunt stated that, although the Board had agreed to include the Palmer tract commercial parcel in Phase 4 and accepted a proposal from Fencecrete that would include the commercial parcel, a majority of the residents were not in favor of the fence and it was also not certain whether the fence would comply with the applicable City of Round Rock PUD zoning ordinance. He stated that it was possible for the District to construct the fence now, however, if it was determined at a future date that the fence did not comply with the ordinance, an additional fence that complied with the ordinance would need to be constructed at such time by the developer of the Palmer tract commercial parcel. Mr. Hunt recommended that the District exclude the Palmer tract commercial parcel from Phase 4 of the fence enhancement project and recommended that the Board revise its acceptance of the Fencecrete proposal attached as **Exhibit “G”** to exclude the add/alternative item that covered the costs for the Palmer tract commercial parcel. Upon motion by Director Alger, and second by Director Wells, the Board voted unanimously to exclude the Palmer tract commercial parcel from Phase 4 of the fence enhancement project and to accept the proposal without the add/alternative item, subject to the contractor’s compliance with HB 1295.

Mr. Hunt then reported on the status of the Arterial H Phase 1 road construction. He stated that he had attended the ground-breaking ceremony, construction had started on the initial water line, and a pedestrian tunnel would be installed under the roadway. Mr. Edmonson stated that the right-of-way would not be cleared by the contractor, so the District may need to hire a contractor to clear the area at a future date.

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 TXDOT was working with the City of Cedar Park on the sound wall and it was not certain whether the sound wall would be constructed under the existing contract or under a separate contract.

Director Asbury then stated that the Board would receive an update on the Round Rock-Leander 138-kV transmission line project and directed the Board's attention to the news article included in his operations report. He reviewed the article with the Board and stated that the Commissioner's Court had decided to hold off on making any more determinations while the issue was before the Public Utility Commission.

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 included in his operations report. He stated that a missing child report had been filed and the child was located using the "Next Door" app. Director Wells stated that he had noticed a speed control trailer had been placed within the District and inquired if the trailer was providing any reports or data. Andrew stated he would investigate whether the trailer was working and providing reports.

Director Asbury then stated that the Board would receive a report from the District's engineer and recognized Mr. Edmonson. Mr. Edmonson 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 "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; 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 98.79% of the District's 2015 tax levy had been collected. Upon motion by Director Wells 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 "I"**. He stated that water loss had dropped to -2.3% and reported that there were no issues with water quality. He stated that the wet well had been cleaned in anticipation of the Palmer tract line opening. He then reviewed the District's billing report and stated that there were no delinquent accounts or write-offs this month. He stated that the District was still under voluntary water use restrictions and noted that if mandatory restrictions were imposed they would likely be based on demand and not water level. Mr. Hunt next reported that there had been no issues with solid waste or recycling collection and noted that the District received \$17 in recycling rebates. He then presented the proposal from Sunscape Landscaping attached as **Exhibit "J"** for landscaping maintenance around the lift station and recommended approval. After discussion, upon motion by Director Alger, and second by Director Reed-Green, the Board voted unanimously to approve the proposal.

Director Asbury then recognized Ms. Scholl for purposes of receiving a report from the District's attorney. Ms. Scholl first reviewed the consultant directives from the previous Board meeting. She stated that, at least 72 hours before each Board meeting, the Board is required to provide notice of the meeting by posting the meeting agenda at a designated location within the


District and either with the Williamson County Clerk or on the District's website. She stated that the Board's meeting agendas were being posted at the designated location within the District and with the Williamson County Clerk before each meeting, and that a copy of the agenda was being posted on the District's website after each meeting for informational purposes only. She explained that, due to potential technological issues, she did not recommend posting the agendas on the District's website in lieu of posting with the County Clerk for the purpose of providing notice of the meeting, but noted that the agendas could always be posted on the District's website in addition to being posted with the County Clerk. After discussion, the Board decided to continue posting its meeting agendas with the County Clerk. She then directed the Board's attention to the MSRB Rule G-42 Update attached as **Exhibit "K"**, which she stated was a required disclosure from the District's financial advisor regarding requirements of municipal advisors under applicable securities laws.

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 August 8, 2016.

There being no further business to come before the Board, the meeting was adjourned at 12:58 p.m.

(Signature page follows.)





Leslie Alger, Secretary
Board of Directors

Date: August 8, 2016