

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

October 8, 2018

THE STATE OF TEXAS           §  
                                          §  
COUNTY OF WILLIAMSON       §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on October 8, 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, except Director Leslie Alger and Director Robert Wells, 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; Allen Douthitt of Bott & Douthitt, PLLC, the District's bookkeeper; Jacob Matto, a resident of the District; and Jenn Scholl of Armbrust & Brown, PLLC, the District's general counsel.

Director Asbury called the meeting to order at 12:08 p.m. and stated that the Board would first receive citizens' communications and Board member announcements. Mr. Matto introduced himself to the Board and stated that he was interested in being appointed to the Board in the event of a future vacancy. He stated that he had lived in the District for the past six years, had three young children, and did not have any plans to move out of the District any time soon.

There being no further Board member announcements or citizens' communications, Director Asbury stated that the Board would consider the director items on the Board's meeting agenda. Ms. Scholl stated that she was working to obtain an official resignation letter from Director Wells, which she noted was a requirement under Texas law. She stated that she anticipated being able to present the resignation letter for the Board to accept at the next Board meeting at which time the Board could take action to fill the vacancy created by Director Wells' resignation from the Board.

Director Asbury then stated that the Board would next consider approving the minutes of the September 10, 2018 Board meeting. Mr. Douthitt stated that there was a reference to BankCorp South in the minutes that would need to be changed to First Citizens Bank. After discussion, upon motion by Director Reed-Green and second by Director Black, the Board voted 3-0 to approve the minutes.

Director Asbury stated that the Board would consider the Environmental Consulting

Services (Proposal No. 18-03540) and related Professional Services Agreement with LJA Engineering, Inc., for Stormwater Management Program Implementation (MS4 Coalition), attached collectively as **Exhibit "B"**. Ms. Scholl explained that the proposal and related agreement were for the new MS4 permit that was scheduled to be issued later in the year. After discussion, upon motion by Director Reed-Green and second by Director Black, the Board voted 3-0 to approve the proposal and related agreement.

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 Spectrum was working to relocate several lines that were in the area and that construction of the sound wall should commence thereafter, noting that the lines should be relocated within the next week.

Director Asbury then stated that the Board receive an update on wholesale water and wastewater service, including the City's wholesale rate increases. 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 receive the security report and consider taking related action. Ms. Torres reviewed the security report 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 "C"**. He reported that Pharis Design had completed the set of drawings that reflected the existing conditions and provided landscaping options and that, after the committee reviewed the drawings, a meeting should be scheduled with the contractor to discuss which options the committee wanted to proceed with. The Board discussed the committee assignments and agreed that Directors Reed-Green and Director Black would be responsible for reviewing the drawings. Mr. Edmonson then stated that he had met with the City of Round Rock and the City had agreed to allow the District to install a CMU wall along the boundary lines of the mailbox kiosk lot. He stated that the City did not have any future plans for the lot and would be open to conveying the lot to the District or the HOA, noting that any additional fire station would be constructed on a lot owned by the City along Stone Canyon. The Board agreed that it would not benefit the District to own the lot and determined to proceed to obtain the easement for the CMU wall now from the City rather than waiting to see if the lot was conveyed to the HOA in the future. Mr. Edmonson stated that he would coordinate with Ms. Scholl's office on getting all of the necessary easements prepared and would begin getting all of the documents prepared to bid the project. He then stated that the proposed amenity center lot fence improvement project would consist of approximately 500 feet of fencing and six limestone rock columns that were identical to the existing limestone columns in the pavilion. He reported that his office had requested proposals for the proposed project from several contractors and only one contractor responded with a proposal in the amount of \$24,028, which he noted was for wrought iron fencing. He stated that the Board had previously discussed using powder coated aluminum fencing, which he explained was cheaper than wrought iron, so he had requested additional proposals for the correct fencing materials. He stated that he also hoped to obtain proposals from more than one contractor. The Board discussed potential options for the fence contractor and Director Reed-Green stated that he would contact Mr. Edmonson regarding several potential options. Mr. Edmonson stated that he would work with Ms. Scholl to finalize the blanket easement with the HOA for the amenity center lot fence project. Director Black inquired if the fence would run into the corner of the lot below the berm. Mr. Edmonson responded that the fence would not go into the corner of the lot below the berm.

Director Asbury stated that the Board would receive a report from the District's bookkeeper and recognized Mr. Douthitt. Mr. Douthitt presented the accounting report and updated cash activity report attached collectively as **Exhibit "D"** and reviewed them with the Board. He requested approval of a transfer in the amount of \$4,588.88 from the District's operating account to the bookkeeper's account and a transfer in the amount of \$130,000 plus accrued interest from the Pioneer Bank CD to the District's TexPool Operating Account, as indicated on the first page of the updated cash activity report. He then reviewed the latest cash activity report, financial statements, tax collection report, budget comparison, and the Director and vendor payments that were being presented for approval, noting that the per diem to Director Alger would be voided due to her absence. He pointed out that 99.83% of the District's 2017 taxes had been collected and the District had a positive budget variance of \$43,190.77. After discussion, upon motion by Director Reed-Green and second by Director Black, the Board voted 3-0 to approve the transfers and payment of bills and invoices, as presented, with the void noted. Mr. Douthitt then reviewed the documentation necessary for Positive Pay services with First Citizens Bank. Upon motion by Director Reed-Green and second by Director Black, the Board voted 3-0 to approve the Positive Pay/Payee Positive Pay Set Up Form attached as **Exhibit "E"**; the Business and Treasury Services Agreement-Authorization and Agreement attached as **Exhibit "F"**; and the Business and Treasury Services Agreement-Designation of Customer Representative attached as **Exhibit "G"**.

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 reported that the contract for the south wall had been awarded to SB Contractors, the contractor was in the process of pre-fabricating the sound wall, construction would begin after the Spectrum lines were relocated, and it would take approximately three months to complete the wall after construction commenced. Director Asbury asked if there would be large machinery, such as cranes, in the area and if the area would be re-sodded after construction was complete. Ms. Torres and Mr. Edmonson stated that there would be large machinery and the area should be restored after construction was completed. Ms. Torres then reported that Perfect Cuts of Austin, LLC had informed Mr. Hunt that they were not interested in renewing the Landscape Maintenance Agreement with the District due to the fact that they were no longer the HOA's contractor and it was no longer cost-effective to provide services to the small areas maintained by the District. Ms. Scholl stated that she and Mr. Hunt recommended that the Board consider either entering into a landscape maintenance agreement with the HOA's new contractor or consider entering into a landscape license agreement with the HOA under which the HOA would be responsible for maintaining the District's areas and the District would pay a fee to the HOA each month for such services. Director Reed-Green stated that if the District entered into a license agreement, the license agreement would need to include a "not to exceed" amount for the services. Mr. Douthitt recommended that the license agreement be for a set fee each month. **After discussion, the Board directed Ms. Scholl and Mr. Hunt to proceed with investigating the possibility of entering into a landscape license agreement with the HOA. Director Asbury also requested that Mr. Hunt confirm that Perfect Cuts of Austin, LLC had completed all required service visits under the prior agreement.** Ms. Torres then reported that the only remaining compliance item required under the current MS4 permit was to install the storm water inlet markers and she reported that Crossroads Utility Services would have all of the markers installed by the end of December. She reported that work to install the new wastewater flow meter had commenced and that the routine lead and copper sampling for 2018 had been completed. She reported that water loss was at  $\pm 3.96\%$  for the month of September, there were no issues with water quality, and the utility system was generally operating well, with the exception that the discharge gasket for pump no. 1 has had to be replaced several times within the past year. She stated that it was possible that the pump was vibrating and not seated properly on the pin holding the basket/monitor causing the discharge gasket to prematurely

blow out. She stated that Mr. Hunt would continue to monitor the issue and if additional problems were observed, they would need to take steps to make sure the pin was set properly. Ms. Torres reported that the District was under voluntary watering restrictions, there were no issues with the website, and the fall bulk cleanup was scheduled for October 20<sup>th</sup>, noting that a flyer had been sent to the HOA for distribution. She then requested approval of one write-off in the amount of \$148.70. Ms. Torres then presented the fully executed and recorded version of the trail light easement from the HOA, attached as **Exhibit "I"**, and the proposal from SunTech for installation of 125 new LED trail light poles and fixtures, attached as **Exhibit "J"**, and recommended approval of the proposal. After discussion, upon motion by Director Black and second by Director Reed-Green, the Board voted 3-0 to approve the write-off and the proposal from SunTech.


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.

At 12:47 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 12:50 p.m., the Board reconvened in open session and Director Asbury announced that no action had been taken in executive session. Director Reed-Green then moved that the Board consider approving an Interlocal Agreement with the other participating districts for the filing of a rate case petition and authorize any related cost-sharing agreement. Upon second by Director Black, the motion passed 3-0.

There being no further business to come before the Board, the meeting was adjourned at 12:51 p.m.

(SEAL)



  
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Leslie Alger, Secretary  
Board of Directors

Date: November 12, 2018