

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

October 14, 2019

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on October 14, 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
Jacob Matto	-	Secretary
Leslie Alger	-	Assistant Secretary
Steve Garcia	-	Assistant Secretary

and all of the Directors were present, except Director Alger and Director Matto, who both arrived later, thus constituting a quorum. Also present at the meeting were Lisa Torres of Crossroads Utility Services LLC, the District’s general manager and utility operator; Herb Edmonson and Richard Grayum of Gray Engineering, Inc., the District’s engineer; Allen Douthitt of Bott & Douthitt, PLLC, the District’s bookkeeper; Denise Gordon, 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 12:02 p.m. and stated that the Board would first receive citizens’ communications and Board member announcements. Ms. Torres stated that the homeowners’ association (“HOA”) had requested that Board members alternate attending HOA meetings to provide updates on the District’s financials during the HOA meetings. The Board discussed the HOA’s request and the possibility of having a director attend a future HOA meeting. Ms. Gordon stated that she had received a notice in the mail about the additional leaf collection days and asked who sent the notice, pointing out that the notice did not include that the District had requested and was paying for this extra service. Ms. Torres responded that the notice had been prepared by Central Texas Refuse and the Board’s subcommittee had reviewed and approved the letter prior to it being sent to residents. Ms. Scholl explained the subcommittee process to Ms. Gordon. Director Asbury then stated there had been a Community Impact article stating that municipal utility districts in Williamson County had higher tax rates than cities. He pointed out that the District’s tax rate was listed among one of the lowest tax rates of all municipal utility districts in Williamson County. Director Alger arrived at this time. The Board briefly discussed the Community Impact article. Director Matto arrived at this time. Mr. Douthitt noted that the District’s tax rate will be even lower once all of the bonds are paid off. Ms. Gordon then asked if the District could pay to have the streets swept once all of the leaves were collected. Mr. Edmonson responded that the streets were owned by the County and the County was responsible for sweeping the streets. Director Asbury pointed out that there was still some loose gravel left after the roads were re-paved and he suggested that the Board wait to contact the County to sweep the loose gravel until after the

leaves were collected in November. **The Board agreed and directed that Ms. Torres contact the County to have the streets swept after the fall leaf collection day.**

There being no further citizens' communications or Board member announcements, Director Asbury stated that the Board would next consider the minutes of the September 9, 2019 Board meeting. Director Reed-Green stated that he had a correction to page 3 of the minutes. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve the minutes, as revised.

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 receive the security report and consider taking related action. Ms. Torres presented the security report for the month of September, attached as **Exhibit "B"**, and reviewed it with the Board. Director Reed-Green noted that someone had been arrested for trespassing into residents' back yards.

Director Asbury then stated that the Board would receive a report from the District's engineer and recognized Mr. Edmonson. Mr. Edmonson introduced Mr. Grayum to the Board and stated that Mr. Grayum would be working with him on District matters in the future. Mr. Edmonson then presented his report, attached as **Exhibit "C"**, and reviewed it with the Board. He stated that a resident had cut down one of the Crepe Myrtles that was in the right-of-way behind the resident's home, as depicted in the photograph attached as **Exhibit "D"**. He explained that the beautification project contractor could install landscaping materials in the area where the tree stood and include the work as a change order to the beautification project contract. He then presented Change Order No. 2 in the amount of \$1,316.62, attached as **Exhibit "E"**, and recommended approval. Mr. Edmonson stated that, once the change order work had been completed, the project would be finished once the final punch list items were completed. Director Asbury stated the Change Order would need to include removal of the tree stump. Mr. Edmonson confirmed that it would. Director Asbury recommended that the Board send a letter informing the resident: (i) that it was illegal to cut down the tree, (ii) the cost to repair the damage caused by the resident, and (iii) the total amount that the District had spent on the fence and the beautification project. **After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve the Change Order, as presented, and to authorize Ms. Scholl to work with Director Asbury and Director Reed-Green to prepare and send a letter from Director Asbury to the resident.**

Mr. Edmonson then presented the proposal from Gray Engineering, Inc. for preparation of capital improvement projects list and reserve budget projection, attached as **Exhibit "F"**, and noted that the proposal had been revised based on input from the last Board meeting. He noted that the age of the system had been included, as requested by Director Alger, and the hourly breakdown had been included. He explained that it was not possible to reduce the items in Task 1 because he would not know what information could be cut until he started the work and he stated that it was not possible to establish a "not to exceed" amount without raising the estimate. He explained that the capital reserve budget would be used by the District to set aside funds for future capital improvements and pointed out that it was standard to formulate a capital improvements list at least five years prior to annexation. Mr. Edmonson estimated that

Task 1 would take about one week and that all of the work should be completed by the end of the year. He stated that he anticipated that a certified report, if the Board elected to obtain one, would be completed by March or April of next year. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve Task No. 1 in the proposal, with the understanding that the Board would consider Task No. 2 and Task No. 3 in the proposal upon completion of Task No. 1.

Director Asbury next recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt presented the accounting report and updated cash activity report, attached collectively as **Exhibit "G"**, and reviewed them with the Board. He requested approval of a transfer in the amount of \$8,099.72 from the District's operating account to the District's bookkeeper's account, as indicated on page one of his report. He 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. He pointed out that the District had a positive budget variance of \$10,076.54 and about 99.70% of the District's 2018 taxes had been collected. Upon motion by Director Alger and second by Director Reed-Green, the Board voted unanimously to approve the transfer and payment of the bills and invoices, as presented.

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 stated that the amenity center fence repairs had been completed, noting that she had intended to obtain a proposal from Guardian Fence for the repairs but there had been complaints about the safety of the fence, so Crossroad's contractor took care of the repairs before the Board meeting. Ms. Torres then reported that water loss was at $\pm 6.04\%$ for the month of September. She stated that the large gains that had been reported in the past were due to a formula error that had caused the amounts to roll and appear as a gain. She reported that an updated and corrected water loss chart for the entire year had been included in her report. Ms. Torres confirmed that all lab results were satisfactory, that there were no issues with water quality, and that the utility facilities were generally operating well. Ms. Torres reported that the District was under voluntary watering restrictions, that she did not have any write-offs to present, and that there had been one solid waste/recycling collection complaint. **She stated that she would present a proposal to repair the barbed wire fencing around the lift station at the next Board meeting, noting that the clearing and landscaping work would be completed once the fence had been repaired.** She then presented the proposal attached as **Exhibit "I"**, for the repair of the perimeter fence at Vista Isle Drive and Royal Vista Drive and recommended approval, noting that the contractor would not be able to tell what caused the damage to the two top panels until the resident's back yard was accessed to complete the repairs. Ms. Torres then reported that all of the poles for the Royal Vista and Vista Isle lighting project had been installed and that the light bulbs would be installed soon. She stated that she had been contacted by the owner of a commercial tract along Royal Vista that had requested the District's permission to install a business logo in the window of the property. Ms. Scholl stated that the District did not have any rules that regulated the installation of the logo and stated that the property owner would need to contact the HOA to find out if any approvals were required. Ms. Torres then stated that several residents had tried to contact the District through the District's website to report service outages but were unable to do so. The Board discussed the possibility of obtaining proposals for a new website development and maintenance agreement. **After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve the proposal for the repair of the perimeter fence, as presented, and to authorize Director Garcia and Director**

Matto to work with Ms. Torres to evaluate the District's website and to obtain proposals from website development and maintenance contractors for the Board to consider at a future Board meeting.

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. Ms. Scholl then stated that the partial assignment of the pass-through agreement for the Palmer Tract that was approved at the prior Board meeting had been executed and recorded and she presented the Assignment of Development Rights and Obligations and Consent, attached as **Exhibit "J"**.


There being no further business to come before the Board, the meeting was adjourned at 12:57 p.m.

[Signature Page Follows.]

Date: November 11, 2019

(SEAL)





Jacob Matto, Secretary
Board of Directors