

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

December 12, 2016

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on December 12, 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
Carl R. Black	-	Assistant Secretary

and all of the Directors were present except Director Black, 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 John Bartram 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 advised the Board that he had received a couple of complaints regarding street light outages that he was working with Pedernales Electric Cooperative to resolve. He stated that street lighting complaints were cyclical, with an uptick every few years.

Director Asbury then stated that the Board would consider the minutes of the November 14, 2016 Board meeting. Upon motion by Director Wells and second by Director Reed-Green, the Board voted unanimously to approve the minutes, as presented.

Director Asbury then stated that the Board would consider the District's fence enhancement projects, and recognized Mr. Edmonson. Mr. Edmonson first reported on the status of Phase 4. He stated that there had been some weather delays earlier in the month but that everything was back on track and that the project should be substantially complete in mid-January and closed out in February. He then presented and recommended approval of Pay Estimate No. 2 in the amount of \$44,971.56 attached as **Exhibit "B"**, which he stated represented about 54% completion. Director Wells asked if there any been any issues with residents. Mr. Edmonson stated that he had not heard of any significant problems. Mr. Hunt stated that one homeowner had asked that the new fence be inseted onto his lot in order to fence out an electric utility pole and that the District had obtained a permanent easement from the homeowner for this purpose. After further discussion, upon motion by Director Wells and second by Director Reed-Green, the Board voted unanimously to approve Pay Estimate No. 2. Mr. Hunt then concluded the Phase 4 fence report with an update on Arterial H road

construction. He stated that construction was still on hold pending the required permits for the project. Mr. Hunt next reported that, while he was responding to a request from a resident to install drain blocks in a section of the Phase 1 wall to facilitate drainage in the resident's backyard, he had discovered cracks in the wall and that a section of the wall was actually loose. He stated that these cracks should be repaired promptly for safety reasons and presented and recommend approval of the Contractor Agreement with T Bar M Land Services, LLC, attached as **Exhibit "C"**, to repair the section of cracking wall at a cost of \$3,500. Director Asbury asked if the cracking was caused by the drainage issues in the resident's backyard. Mr. Hunt stated that he did not think so and that it was his opinion that the cracking was probably due to root growth or settling. After further discussion, upon motion by Director Alger and second by Director Reed-Green, the Board voted unanimously to approve the Contractor Agreement with T Bar M Land Services, LLC.

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 had not received any updates from TXDOT or the City of Cedar Park.

Director Asbury then stated that the Board would receive an update on the Round Rock-Leander 138-kV transmission line. Mr. Hunt reported that it was his understanding that the official parties to the administrative hearing on the project had been determined and that preliminary testimony was being filed.

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 attached as **Exhibit "D"** and stated that, other than an increase in package theft over the holidays, he was not aware of any significant issues.

Director Asbury then stated that the Board would receive a report from the District's engineer and recognized Mr. Edmonson. Mr. Edmonson presented his report attached as **Exhibit "E"**. He reported that the District's five-year regulatory wastewater collection system televising and cleaning project would likely be re-bid in the spring. He stated that he was working with a couple of vendors on timing in order to ensure good responses.

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 "F"** 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; and the monthly transfers. She highlighted a few supplemental checks and pointed out the holding check for the annual water system permit fees the invoice for which had not been received but which were due by the end of the year. She stated that \$20,552 in tax revenues had been received in October but anticipated that account balances would increase significantly over the next few months as the bulk of tax revenues started to come in. For this reason, she stated that she would likely be bringing a recommendation back to the Board in January to move some of those funds in to investment CDs. After discussion, 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 "G"**. He reported that water loss was -3% for the month and -2% for the year, water quality was satisfactory, the billing report was healthy, and that there had been no solid

waste/recycling collection complaints. He then directed the Board's attention to his email exchange with Williamson County regarding the upcoming road re-surfacing project. Discussion of certain low areas in the roadways ensued, and Mr. Hunt stated that he would follow up with the County on these service requests. Regarding utility operations, Mr. Hunt reported that his crews had performed preventive maintenance on the generator at the lift station and had completed the annual recalibration of the master water meters. Mr. Hunt then concluded the regular portion of his report by confirming that the District was still under voluntary watering restrictions and by advising the Board that winter averaging was now in effect.


Mr. Hunt next reviewed the letter from the Texas Commission on Environmental Quality (the "TCEQ") attached as **Exhibit "H"**, confirming that the annual TCEQ MS4 Permit inspection had been completed, with no violations and one "Additional Issue" identified. Mr. Hunt stated that the additional issue related to the timing of filing annual reports based on the fiscal year. He then reviewed the Annual Report for the North Austin Stormwater Coalition attached as **Exhibit "I"**. He stated that the report covered permit year no. 3, and he recommended approval and filing of the report. He then summarized a few of the requirements for future permit years. After discussion, upon motion by Director Reed-Green and second by Director Wells, the Board voted unanimously to approve the Annual Report and to authorize its filing with the TCEQ.

Director Asbury then recognized Mr. Bartram for purposes of receiving a report from the District's attorney. Mr. Bartram noted that the Board had not specifically addressed the renewal options for the tax assessor/collector bond under the bookkeeper's report. Ms. Kirkley indicated that the check approved as part the bills and invoices was for a three-year renewal. The Board generally agreed that a three-year renewal was acceptable.

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 January 9, 2017.

There being no further business to come before the Board, the meeting was adjourned at 12:42 p.m.





Leslie Alger, Secretary
Board of Directors

Date: January 9, 2017