

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

December 14, 2015

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on December 14, 2015, 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, who arrived later, and Director Alger, 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; Chris Lane of SAMCO Capital Markets, the District's financial advisor; 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. There being none, Director Asbury then stated that the Board would consider approving the minutes of the November 9, 2015 Board meeting. Upon motion by Director Reed-Green and second by Director Wells, the Board voted unanimously to approve the minutes.

Director Asbury next announced that the Board would consider taking action regarding the District's 2015 annual MS4 report. Mr. Hunt presented the Phase II (Small) MS4 Annual Report Form for the North Austin Stormwater Quality Coalition attached as **Exhibit "B"**. He stated that, in order to meet the filing deadline, he had reviewed and executed the report on behalf of the District, and he requested the Board to ratify approval and filing of the report. Upon motion by Director Wells and second by Director Reed-Green, the Board voted unanimously to do so.

Director Asbury then stated that the Board would consider renewal of the District's software license for the IRIS emergency alert system. Mr. Hunt stated that the vendor had not yet prepared the renewal license agreement and, therefore, recommended that this item be postponed until January. The Board agreed to so.

Director Asbury then stated that the Board would consider the wall and fence projects, and recognized Mr. Edmonson. Mr. Edmonson first reported on the status of Phase 3 of the wall

project. He stated that all of the footings were in place and that there were only a couple hundred feet of fence left to install. He stated that there were a few open issues, such as interruption of electricity to the lighting at the mailbox kiosk, which the contractor was investigating, and that, weather permitting, the project would complete by the end of December. He then presented and recommended approval of pay estimate no. 4 for Phase 3 of the wall project, a copy of which is attached as **Exhibit "C"**, which he stated was in the amount of \$21,109.79, represented 86% completion, and reflected work through November. Upon motion by Director Wells and second by Director Reed-Green, the Board voted unanimously to approve pay estimate no. 4, as presented. Mr. Hunt stated that the HOA had requested a final walk-through upon completion, which Mr. Edmonson agreed to coordinate. Director Asbury stated that the District needed to confirm the HOA's plans for its landscape lots so that the District did not waste money resodding areas that the HOA had different plans for. The Board generally agreed.

Mr. Edmonson next reported on the status of Phase 4 of the wall project. He projected a map of Phase 4, a copy of which is attached as **Exhibit "D"**, and explained that the segment on Sam Bass Road was approximately 1,200 feet, that the segment along Arterial H was approximately 1,000 feet, and that the segment along the Palmer commercial tract was approximately 700 feet. He stated that the fence committee had met to discuss the project and had determined that stopping at the Palmer commercial tract was not ideal aesthetically. He stated that the committee had also discussed whether Phase 4 of the project would need to be bid; but noted that, regardless, a set of plans would have to be prepared and that the Board would need to decide whether his firm should prepare those or whether to leave that to the fence contractor. Mr. Hunt stated that the Palmer family had an obligation to construct a masonry fence around the perimeter of the commercial tract when the property is developed. He stated that he had reached out to Michael Palmer to see if the Palmers were interested in completing their segment of the fence in connection with the District's segments in order to save costs. Mr. Hunt stated that the Palmers were open to granting the District an easement across the commercial tract so that the District could extend the fence but that they were not interested in paying to complete their fence at this time. Mr. Hunt estimated that the segment of fence along the commercial tract would cost \$60,000 to \$70,000. At this time, Director Mires arrived at the meeting. Director Wells asked if the Palmers had a deadline to complete the fence. Mr. Bartram stated that it was his understanding that the fence had to be built at the time that the commercial tract was developed, which could be years out. Director Asbury asked if funds for extending fencing along the commercial tract had been included in the District's budget. Mr. Hunt stated that additional fencing along the commercial tract was not currently in the budget. He recommended that the commercial segment be included as an alternate in the Phase 4 bid documents so that the Board could evaluate the options and make a decision later. Director Asbury anticipated that the commercial tract probably would not be developed due to its configuration, which tended to mean that the District would be wasting money if the District fenced the area now; but, on the other hand, he stated that, if the District were going to fence the area, the best time to do so would be in connection with other fencing projects in order to save time and costs. Mr. Hunt reminded the Board to be cautious about extending fencing into new areas because several areas had already been left out, such as the area around the mailbox kiosk in Phase 1. Director Mires asked whether the Palmers would be willing to reimburse the District if the District constructed the fence now. Director Asbury stated that it would not hurt to ask. He stated that a reimbursement arrangement would also help distinguish fencing along the commercial tract from other areas where the Board had previously chosen not to construct fencing. Director Wells asked if there would be additional costs if the Board elected to construct the fencing later. Mr. Edmonson confirmed that there would be additional costs associated with almost all components. Mr. Hunt asked, if the Palmers were open to a reimbursement arrangement, whether that should be memorialized in the easement. Mr. Bartram agreed that it should be or in another document recorded in the official records. Mr. Hunt then stated that

there was still the question of whether Phase 4 would need to be competitively bid. Director Asbury stated that he would prefer not to have to go through the advertisement process if not otherwise required to. Mr. Bartram stated that there was an exception to the bidding requirements in the Water Code for contracts for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition. Mr. Edmonson stated that the Phase 4 fence was an extension of the Phase 2 fence, which was proprietary to FenceCrete, and that, therefore, he felt confident that there was only one source. He stated that, if Phase 4 was not competitively bid, the Board would save about \$10,000 but that a set of plans and a specifications book would still be required. After discussion, the Board directed Mr. Edmonson to prepare a proposal for plans and specifications for Phase 4 for consideration at the Board's next meeting, with the Palmer commercial tract segment as an alternate.

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 reported that there were no substantive updates at this time. He stated that he had received an email from the resident coordinator confirming that nothing had occurred and that a workshop with TXDOT was in the process of being scheduled.

Director Asbury then stated that the Board would receive the security report and consider taking related action. Mr. Hunt reported that there had been some vandalism at the park bathrooms that was being investigated and that the deputies had worked some extra hours involving a dispute at the HOA's Christmas party. He also reported that the hog hunting incident on Honey Bear Loop had been resolved.

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 engineering report attached **Exhibit "E"** and 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 first presented the bookkeeper's report and list of additional checks attached collectively as **Exhibit "F"**. She reviewed the bills and invoices and account activity for the District's operating, manager's, and lock box accounts, noting that the check to Director Alger would be voided due to her absence from the meeting; 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 stated that, to date, the District had collected \$22,000 in tax revenues, which amounted to approximately 1.5% of the District's 2015 tax levy. Upon motion by Director Wells and second by Director Mires, 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"** and reviewed his directives, which he stated were all in process. He next addressed water accountability, noting that there had been $\pm 2\%$ water loss for the month. Mr. Hunt next reviewed the water report. He confirmed that all test results were satisfactory and that usage was down after the hot summer months. He then reviewed the District's billing report, and recommended approval of one write-off. Upon motion by Director Wells and second by Director Mires, the Board voted unanimously to approve the write-off, as recommended. Mr. Hunt next reported that there had been no issues with solid waste and that the latest monthly recycling rebate was \$17. He noted that the District's current solid waste and recycling collection contract was scheduled to expire in January and that he was coordinating with Round

Rock Refuse on renewal. He next reviewed the District's latest trihalomethanes report. He stated that the fourth quarter results exceeded permissible levels but that it was not a violation because the running quarterly average had not been exceeded. He explained that trihalomethanes were a disinfection byproduct and that he had notified the City of Round Rock as the wholesale water provider. He suspected that the massive amount of rainwater into Lake Georgetown at the end of October was the problem. Mr. Hunt then concluded by noting that he had asked Mr. Bartram to include a standing item on the Palmer tract on the agenda so that he could track the status of development and the trigger for the second contractual pass-through payment.

Director Asbury then recognized Mr. Bartram for purposes of receiving a report from the District's attorney. Mr. Bartram stated that there were no consultant directives currently outstanding. He then directed the Board's attention to the *Community Impact Newspaper* article on planned electric transmission lines in the area attached as **Exhibit "H"**, which he stated had been included at Mr. Hunt's request to keep the Board apprised of activity in the area that might affect property values. Mr. Bartram closed by reporting that he was coordinating with Mr. Hunt on easements and license agreements necessary for Phase 4 of the fence/wall project.

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 at noon on January 11, 2016.

Director Asbury then asked if there was any further business to come before the Board. There being none, the meeting was adjourned at 1:13 p.m.

(Signature page follows.)





Leslie Alger, Secretary
Board of Directors

Date: January 11, 2016