

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

March 9, 2020

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on March 9, 2020, at SouthStar Bank, 3025 Ranch Road 1431, Round Rock, Texas 78681. 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 who 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 12:05 p.m. and stated that the Board would first receive citizens’ communications and Board member announcements.

There being no citizens’ communications or Board member announcements, Director Asbury stated that the Board would next consider the following consent items on the Board’s meeting agenda: the minutes of the February 10, 2020 Board meeting and the Landscape Maintenance Agreement with Yellowstone Landscape – Central, Inc. attached as **Exhibit “B”**. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted 4-0 to approve the consent items.

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 January attached as **Exhibit “C”** and reviewed it 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 stated that there were no engineering items to report. He then stated that he had begun Task No. 2 of the capital reserve budget projection project and he would provide the Board with an update at the next meeting.

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 "D"**, and reviewed them with the Board. He requested approval of a transfer in the amount of \$100,000 from the District's TexPool operating account to the District's operating account, a transfer in the amount of \$106,684.60 from the District's TexPool Tax Account to the District's TexPool operating account, and a transfer in the amount of \$90,000 from the District's TexPool tax account to the District's TexPool debt service account, as indicated on the first page of his report. Director Alger arrived at this time. Mr. Douthitt 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 negative budget variance of \$51,805.38 and about 94.98% of the District's 2019 taxes had been collected. He and Ms. Torres stated that they had been working with the City to get the billing information corrected for all prior months with overcharges and for all future months, however, the error had not yet been corrected. Ms. Torres stated that the City was going to make adjustments to the payments that had been made for the prior November, December, and January soon and would be in contact with Mr. Douthitt soon to work out how to refund or credit the District for these and any other overcharges. Mr. Douthitt stated that Mr. Hunt had been informed by the City that the District should withhold payment for the current month since the charges were incorrect but he would not withhold payment unless the City provided something in writing because he did not want the District to have to incur late penalties in case the information provided to Mr. Hunt was incorrect. Upon motion by Director Garcia and second by Director Matto, the Board voted unanimously to approve the transfers and payment of the bills and invoices, as presented, and to authorize Mr. Douthitt to hold on to the check to the City if the City provided written instructions to withhold payment.

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 "E"**. Ms. Torres reported that water loss was at $\pm 1.547\%$ loss for the month of February. She confirmed that all lab results were satisfactory, there were no issues with water quality, and the utility facilities were generally operating well. She stated that the repairs and maintenance to the fire hydrants had been delayed by the rain and should begin within the next several months. Ms. Torres reported that the District was under voluntary watering restrictions, she had one write-off to present in the amount of \$79.81, and there had been no solid waste/recycling collection complaints. She reported that notice of the new meeting location had been included on the residents bills. Ms. Torres then stated that the solid waste provider would like to schedule the bulk spring cleanup for Saturday, May 7th, which she noted was the week after the HOA's garage sale. Ms. Scholl reported that, when she had followed up with Hot Dog Marketing, LLC about the proposal that had been submitted at the prior Board meeting, the contractor had informed her that the proposal was only the basic terms and that it would be submitting additional details on the scope of work in a separate written agreement in addition to the proposal. She stated that the overall price had not changed but the contractor was proposing additional details that would limit the scope of work that would be provided. She stated that she would need to review what had been provided by the contractor in order to determine if there would be any other issues for the District and she recommended that the Board authorize her to propose negotiating an agreement based upon her firm's form website

development agreement, which she noted contained all required statutory provisions that applied to the District. After discussion, upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve the write-off, as presented, and to authorize Ms. Scholl to attempt to negotiate a website development agreement with Hot Dog LLC and to take whatever action was necessary to transition the maintenance of the current website over to Director Garcia.

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.

At 12:38 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 1:12 p.m., the Board reconvened in open session and Director Asbury announced that no action had been taken in executive session.

The Board then discussed future meeting dates and locations and decided that the April Board meeting would be held at SouthStar Bank. There being no further business to come before the Board, the meeting was adjourned at 1:12 p.m.

[Signature Page Follows.]

Date: April 13, 2020

(SEAL)



Jacob Matto

Jacob Matto, Secretary
Board of Directors