

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

September 13, 2021

THE STATE OF TEXAS           §  
  §  
COUNTY OF WILLIAMSON       §

A regular meeting of the Board of Directors of Vista Oaks Municipal Utility District (the "*District*"), was held on September 13, 2021, Gray Engineering, Inc., 8834 N. Capital of Texas Highway, Suite 140, Austin, Texas 78759. 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, to-wit:

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 Asbury, thus constituting a quorum. Also present at the meeting, either in person or via telephone, were Lisa Torres of Crossroads Utility Services LLC ("*Crossroads*"), 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; Chris Lane of SAMCO Capital Markets, Inc.; Nancy Olson of McCall Gibson Swedlund Barfoot PLLC ("*MGSB*"), the District's auditor; and Jenn Scholl of Armbrust & Brown, PLLC, the District's general counsel.

Director Reed-Green called the meeting to order at 12:11 p.m. and requested that Ms. Scholl lead the Board through the meeting agenda. Ms. Scholl stated that the Board would first receive citizens' communications and Board member announcements. **Director Matto announced that a resident had informed him that there was some dead vegetation around Vista Isle Drive. Ms. Torres stated that she would look into the matter.**

There being no further citizens' communications or Board member announcements, Director Reed-Green stated that the Board would consider matters relating to the District's 2021-2022 budget and 2021 tax rate. Ms. Lane reviewed the 2021 Tax Rate Analysis attached as **Exhibit "B"** with the Board. She recommended that the Board adopt an overall 2021 tax rate of \$0.2907 per \$100 of assessed valuation at this meeting, which was \$0.0293 less than the 2020 tax rate. Mr. Douthitt stated that the budget subcommittee had met to discuss the proposed budget and the proposed tax rate and was also recommending the \$0.2907 tax rate, allocated entirely to operations and maintenance. Mr. Douthitt pointed out that adopting the recommended tax rate would impose the same average tax bill on each property as had been imposed in the prior year without resulting in any increase.

Ms. Scholl then opened the public hearing on the District's 2021 tax rate and asked if there was anyone present who wished to address the Board on the matter of the District's tax rate. There being none, Ms. Scholl closed the public hearing. Mr. Douthitt reminded the Board

that the District had published a proposed tax rate of \$0.3008, and the Board could adopt a lower tax rate but could not adopt a rate higher than the published rate.

Mr. Douthitt then reviewed the proposed budget attached as **Exhibit "C"** with the Board, which he explained was based on the \$0.2907 tax rate. Mr. Douthitt noted that the proposed budget was the same as the draft budget presented at the prior Board meeting except that it had been revised to set aside a percentage each month for a capital reserves. After further discussion, upon motion by Director Alger and second by Director Matto, the Board voted 4-0 to approve the budget presented by Mr. Douthitt and the Resolution Adopting Budget attached as **Exhibit "D"**.

Ms. Scholl then stated that the Board would consider establishing the District's 2021 tax rate. Upon motion by Director Alger and second by Director Garcia, the Board voted to establish a tax rate of \$0.2907, allocated entirely to operations and maintenance, as recommended, and to adopt the Order Levying Taxes attached as **Exhibit "E"**, with Directors Reed-Green, Matto, Alger, and Garcia present and voting "yes" and Director Asbury absent and not voting.

Ms. Scholl stated that the Board would next consider the following consent items on the Board's meeting agenda: the minutes of the August 9, 2021 Board meeting; an Amended and Restated Information Form, attached as **Exhibit "F"**, reflecting the District's 2021 adopted tax rate; a proposal from MGSB for the audit for the fiscal year ending September 30, 2021, including the related fraud questionnaire, attached as **Exhibits "G"** and **"H"**, respectively; and the Operations Services Agreement with Crossroads attached as **Exhibit "I"**. Ms. Olson first reviewed the MGSB proposal with the Board and stated that the fee range for the 2021 audit had increased by \$500 from the prior year's proposal. She then reviewed the fraud questionnaire with the Board and requested that the Board members contact her if they were aware of any issues. Ms. Torres then stated that the current Operations Services Agreement with Crossroads would expire at the end of the month and requested approval of the proposed renewal agreement. After discussion, upon motion by Director Matto and second by Director Garcia, the Board voted 4-0 to approve the consent items.

Director Reed-Green then stated that the Board would consider items related to landscape maintenance services. Ms. Scholl stated that the current agreement with Yellowstone Landscape – Central, Inc. ("Yellowstone") would expire soon. Ms. Torres stated that Yellowstone had not completed all of the required work under the current agreement. Ms. Scholl pointed out that the District was entitled to withhold payment to the contractor if there was a dispute as to whether or not the work had been properly performed. Discussion ensued, and the Board agreed that it would like to consider alternative options and to withhold payment to Yellowstone for the portions of the work that had not been performed during the prior month until the work was completed. Ms. Torres then presented a proposal from Perfect Cuts attached as **Exhibit "J"** and a proposal from Priority Landscapes, LLC, attached as **Exhibit "K"**, and stated that each contractor was prepared to enter into a landscape maintenance agreement with the District using the District's form agreement and the pricing information contained in each proposal. Ms. Scholl stated that the Board would also be required to provide notice of termination to Yellowstone Landscape – Central, Inc. under the contract and requested that the Board authorize her to send such notice. After discussion, upon motion by Director Garcia and second by Director Matto, the Board voted 4-0 to authorize Ms. Scholl to provide notice of termination to Yellowstone under the current agreement; to authorize Mr. Douthitt to withhold payment to Yellowstone for the portions of work that had not been completed until all required work had been completed; and to approve the Landscape Maintenance Agreement attached as **Exhibit "L"** with Priority Landscapes, LLC.

Director Reed-Green then stated that the Board would next consider Senate Bill 3 (“SB3”). Ms. Scholl reminded the Board that it was subject to the requirements of SB3 and that the first reporting deadline was November 1, 2021. Mr. Edmonson stated that he was working with Crossroads to identify the District’s critical infrastructure and prepare the information that would need to be reported and noted that the work could be completed under his existing engagement letter with the District at his regular hourly rate. Ms. Scholl then recommended that the Board authorize the District’s operator and engineer to undertake, identify, and complete all notice requirements for critical load facilities, emergency contact information, and any other matters needed to comply with the November 1, 2021 deadlines of SB3 and any proposals related thereto. Upon motion by Director Garcia and second by Director Matto, the Board voted 4-0 to authorize the District’s operator and engineer to undertake, identify, and complete all notice requirements for critical load facilities, emergency contact information, and any other matters needed to comply with the November 1, 2021 deadlines of SB3 and any proposals related thereto, as recommended.

Director Reed-Green then stated that the Board would discuss wholesale water and wastewater service, including the City of Round Rock wholesale rate increases and rate appeal. Ms. Scholl stated that she did not have any updates at this time.

Director Reed-Green stated that the Board would receive the security report. Ms. Torres presented the security report for the month of July attached as **Exhibit “M”** and reviewed it with the Board.

Director Reed-Green 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 “N”**, and stated that there were no engineering-related items within the District this month.

Director Reed-Green 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 “O”**, and reviewed them with the Board. He requested approval of the transfers indicated on the first page of his report. He then 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, noting that (i) the per diem payment to Director Asbury would need to be voided due to his absence from the meeting; and (ii) the final payment to Yellowstone would need to be withheld until Yellowstone completed the remaining work. Mr. Douthitt pointed out that the District had a positive budget variance of \$156,289.53 and about 99.7% of the District’s 2020 taxes had been collected. Upon motion by Director Garcia and second by Director Matto, the Board voted 4-0 to approve the transfers, the final payment, and payment of the bills and invoices, as presented, with the void noted and with authorization to withhold payment to Yellowstone, to be released upon final and satisfactory completion of the work.

Director Reed-Green 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 “P”**, and reviewed her directives from the prior Board meeting. She then reported that water loss was at  $\pm 3.45\%$  for the prior month. She 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 a few solid waste/recycling collection complaints of missed pick-ups.

Director Reed-Green then stated that the Board would consider website development and maintenance, including proposed website redesign, and recognized Director Garcia. Director Garcia stated that the new website was completed and that he was working on adding all of the items that were required to be included on the website.

Director Reed-Green 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.

There being no further business to come before the Board, the meeting was adjourned at 1:49 p.m.

*[Signature page follows.]*

(SEAL)



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Jacob Matto, Secretary  
Board of Directors

Date: January 10, 2022