

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
THE MEADOWS AT CHANDLER CREEK MUNICIPAL UTILITY DISTRICT**

January 15, 2019

THE STATE OF TEXAS
WILLIAMSON COUNTY

The Board of Directors (the "**Board**") of The Meadows at Chandler Creek Municipal Utility District(the "**District**") convened in a **regular** meeting open to the public at 7:00 p.m. on January 15, 2019, at the HOA Pool House Meeting Room, 2112 Agarita Trail, Round Rock, Texas pursuant to notice duly given in accordance with the law.

The roll was called of the following members of the Board of Directors, to wit:

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| Walter Berry | President |
| Bob Wohlford | Vice President |
| Shina Amachigh | Secretary |
| Shelley Janda | Treasurer |
| Adrian Bustillos | Assistant Treasurer |

and all Directors were present, thus constituting a quorum.

Also in attendance, were Patricia Rybachek and Michael Luft of Inframark ("**Inframark**"), the District's General Manager; Herb Edmonson of Gray Engineering, Inc. ("**Gray**"), the District's Engineer; Mark Burns of ECO Systems Landscaping Services ("**ECO**"), the District's Landscaper; Jacque Mallon of Maxwell Locke & Ritter, LLP, ("**Maxwell**"), the District's Auditor; and Morgan Johnson and Suzanne McCalla of McGinnis Lochridge ("**McGinnis**"), the District's Attorney.

Director Berry called the meeting to order, and he noted that there were no residents present who wished to address the Board.

The Board next considered the minutes of the December 18, 2018, regular Board of Directors meeting. After a brief discussion, upon a motion duly made by Director Wohlford and seconded by Director Amachigh, the Board voted unanimously to approve the minutes of the December 18, 2018, regular Board of Directors meeting, as written.

Mr. Burns next presented the Landscaping Report. He first updated the Board on various landscaping issues within the District. He stated that due to the recent rainfall within the District, it would be an opportune time to access and determine how best to resolve the erosion issues associated with the concrete slab located at the storage room area adjacent to the restrooms, and the Board concurred. Director Berry suggested filling in the area with dirt and packing the dirt down as a temporary solution to the issue to allow the Board sufficient time to determine a more permanent solution.

The Board then discussed a large hole in front of the soccer goal at the Park within the District, and questioned if installing artificial turf in the area would resolve the issue. Mr. Burns responded that if artificial turf was installed it would need to be installed in the entire penalty area in front of the goals. After a brief discussion, the Board determined that the Parks Committee would consider the issue at a later date.

Next, Ms. Rybachek reviewed a list of repairs to areas within the District's Park to be considered by the Parks Committee. The Board requested that the District's Engineer obtain an estimate for repair of the Pavilion cupola for review by the Board.

At this point, Director Janda and Director Bustillos entered the meeting.

The Board next discussed the location of the proposed BMX bicycle park within the District. Director Wohlford stated that he had questioned several kids to determine their interest in the park. He continued that the kids appeared very enthusiastic at the prospect of a BMX bicycle park within the District. He pointed out that the area behind the apartments in the District was a possible option for the location of the park. Mr. Edmonson noted that although the area was subject to flooding, installing a BMX bicycle park in the area was possible.

Ms. Mallon then submitted the draft of the audit report for the District for the fiscal year ended September 30, 2018. Director Amachigh requested that in the future the Board be provided the draft audit report prior to the Board meeting, and Ms. Mallon agreed. She then reviewed with the Board the Statement of Net Position and Revenues and Expenses, Expenditures, and Changes in Fund Balances as detailed in the audit report. Ms. Mallon also reviewed the supporting data included in the audit report, including information required by the Texas Commission on Environmental Quality (the "**Commission**").

Ms. Mallon then called the Board's attention to the form of the Management Representation Letter from the District's General Manager, attached to Maxwell's Governance Letter. She reported that Maxwell was issuing a clean, unmodified opinion, which was the highest opinion the District can receive.

After consideration, upon a motion duly made by Director Wohlford and seconded by Director Amachigh the Board voted unanimously to approve the audit report, as presented. Director Janda then motioned to authorize the District's Attorney to file the audit report with the Commission, in the District's office, and with all other governmental agencies as required, and Director Wohlford seconded the motion. Upon being put to a vote, the motion passed with all Directors voting in favor of the motion. A copy of the audit report, thus approved, is filed in the permanent records of the District.

Next, the Board considered the need to submit the Annual Audit Report and the Annual Update of Financial Information and Operating Data for the District for the fiscal year ended September 30, 2018, with the State Information Depository and the nationally

recognized information repositories to fulfill the District's continuing disclosure requirements under Securities and Exchange Commission Rule 15(c)2-12. Ms. Johnson reminded the Board that the filing was accomplished through the Electronic Municipal Market Access ("**EMMA**") website of the Municipal Securities Rule-Making Board. Upon a motion duly made by Director Janda and seconded by Director Wohlford, the Board voted unanimously to authorize the District's Attorney to file the District's continuing disclosure, as detailed above.

Next, the Board considered the need to conduct the annual review of the District's Investment Policy and Investment Strategies pursuant to the requirements of the Texas Public Funds Investment Act. Ms. Johnson summarized the requirement for the annual review of the Investment Policy and Investment Strategies. She said that the District's Investment Policy and Investment Strategies were fairly general but very conservative and complied with the requirements of the Texas Public Funds Investment Act. Ms. McCalla noted that the Investment Policy listed the District's General Manager as the District's investment officer. Mr. Luft stated that he was not recommending any changes to the Investment Policy at this time. The Board also reviewed the updated list of brokers authorized to handle investments of the District. After further review, the Board decided that no changes were required in the District's Investment Policy and Investment Strategies at this time. Therefore, upon a motion duly made by Director Wohlford and seconded by Director Janda, the Board voted unanimously to adopt the RESOLUTION EVIDENCING REVIEW OF INVESTMENT POLICY AND INVESTMENT STRATEGIES (the "**Investment Resolution**"). A copy of the Investment Resolution thus approved is attached hereto and shall be considered to be a part of these minutes.

Next, Ms. Johnson reminded the Board that Senate Bill 1812 [passed during the 84th Texas Legislative Session] requires any entity with eminent domain authority to log on to the Comptroller's website annually to report specific information to the Comptroller for posting. Ms. Johnson continued that the District is required to submit this information by February 1 of each year and that failure to comply with these requirements may result in a penalty of \$1,000 for each notification from the Comptroller and would result in the entity being listed on a list of non-complying entities. She pointed out that failure to comply would not affect the District's authority to exercise its eminent domain authority. After a brief discussion, upon a motion duly made by Director Janda and seconded by Director Wohlford, the Board voted unanimously to authorize the District's Attorney to complete the District's eminent domain filing, as required.

Ms. Rybachek next updated the Board on the status of encroachments into the District's drainage easements at the properties located at 2011 and 2013 Lantana Drive. She recalled that both homeowners were notified by letter of the encroachments onto the District's property and that as of the date of the meeting, all encroachment issues had been resolved. Mr. Edmonson pointed out that the drainage area swale, now cleared of encroachments, should be maintained going forward on a quarterly basis. He suggested that ECO be contacted to maintain and walk the area regularly to determine if additional issues were present, and the Board agreed.

Next, Mr. Edmonson reported on the status of additional parking lot lighting along Agarita Trail by M&C Electric (“**M&C**”). He said that M&C was working on the final proposal and should have the proposal for review by the Board at the District’s February meeting.

Next, Ms. Rybachek presented the General Manager’s Report. She detailed the status of various projects with the Board. Director Janda stated that she hoped to have a draft of the District’s newsletter for review by the March Board meeting, with the final newsletter ready to be sent out in April or May. She noted that she planned to include an article about the Williamson County Sheriff’s Office Deputies that patrol the District.

Ms. Rybachek then presented a proposal for the Board’s consideration for a storm water outlet survey. She explained that Inframark personnel would visit each storm water outlet area indicated on a map supplied by the District’s Engineer and take pictures and notes of any issues that need to be addressed. Mr. Edmonson noted that several of the outlets were located on resident’s properties and that the residents would need be contacted prior to the inspection. Director Janda questioned if the pictures and notes provided by Inframark to the District’s Engineer would be sufficient for his purposes, and he responded in the affirmative. After discussion, upon a motion duly made by Director Wohlford and seconded by Director Bustillos, the Board voted unanimously to approve the proposal from Inframark to complete a storm water outlet survey at a total cost to the District of \$2,590.00. A copy of the proposal, thus approved, is attached hereto as an exhibit to these minutes.

The Board next discussed the Commission’s Texas Pollutant Discharge Elimination System [TPDES] General Stormwater Permit for Phase II Small Municipal Separate Storm Sewer Systems [MS4] (the “**Permit**”). Mr. Edmonson explained that the District is required to apply for the Permit in order to discharge stormwater into waters of the state and that as part of the permit process a Stormwater Management Program (“**SWMP**”) will need to be submitted to the Commission along with the District’s application. He explained, the Commission was in the process of issuing a new Permit and that after the Permit was issued, the District would have 180 days to submit a Notice of Intent along with the SWMP to the Commission. He recalled that the District had begun the process in the past, but that at the time the City of Round Rock (the “**City**”) had agreed to collaborate with the District on submission of the Permit. Ms. Johnson stated that the District’s consultants planned to work together to complete the SWMP, and that the estimated costs to the District would be approximately \$6,000. After discussion, upon a motion duly made by Director Wohlford and seconded by Director Janda, the Board voted unanimously to authorize the District’s General Manager, Engineer, and Attorney to work together to prepare a SWMP as required under the Permit.

The next item before the Board was the Bookkeeper’s Report. Mr. Luft stated that going forward he planned to only attend the District’s Board meetings on a quarterly basis. He then reviewed the reports, including the activity in each of the District’s accounts and the District’s Quarterly Investment Report. He noted that the District’s 2018 tax levy was slightly less than 75% collected as of the date of the meeting. He also pointed out that

the District's debt service payment was due February 1, 2019, and that the District had sufficient funds in its debt service account to make the payment.

The Board completed the review of the invoices to the District and the checks prepared in payment thereof. Director Janda questioned if there was a limited amount of time after an event to submit an expense reimbursement request. Ms. Johnson stated that her office would look into the issue and report to the Board at the next Board meeting. After further discussion, upon a motion duly made by Director Janda and seconded by Director Wohlford, the Board voted to (1) accept the Bookkeeper's Report; (2) authorize payment of the District's bills, with the exception of Check No. 5215; and (3) authorize execution of the Quarterly Investment Report for the District. The motion passed with Directors Janda, Wohlford, Berry, and Bustillos voting in favor of the motion, and Director Amachigh voting against the motion. A copy of the Bookkeeper's Report is included in the Board Packet, attached hereto and considered to be a part of these minutes.

Next, Mr. Edmonson presented the Engineering Report, a copy of which is attached as an exhibit to these minutes. He first reviewed with the Board the wastewater capacity study completed in connection with the request for service by QuikTrip. He stated that Gray had met with personnel from the City to review current capacity limits based on the current use by the District. He told the Board that any further connections would require an upsizing of the wastewater line located along Bluebonnet Drive at Tiger Trail. He continued that Gray had completed the review of the site plan for the proposed QuikTrip improvements and that comments would be submitted to QuikTrip.

Continuing his report, Mr. Edmonson stated that maintenance to the AW Grimes Pond by Utility Specialists was delayed due to weather. He added that Gray had confirmed that repair of the wooden pedestrian bridge in the District's Park was completed by Westar Construction, Inc. ("**Westar**"), in accordance with the project proposal.

He then told the Board that the Parks irrigation map was updated based on the latest information provide by ECO, and all Directors requested a paper copy of the map.

Mr. Edmonson then reported on the lighting issues at the basketball court located in the District's Park. He stated that Gray had met with M&C to review options to address the vandalism of the light controllers at the basketball court. He then presented a proposal from M&C with options to resolve the ongoing issues. After discussion, upon a motion duly made by Director Wohlford and seconded by Director Janda, the Board voted unanimously to approve (1) Item No. 3, for a term of three months; and (2) Item No. 6 both as included on the M&C proposal in the total amount of \$5,210.00. A copy of the proposal is included in the records of the District.

The Board next considered a proposal from Westar in the amount of \$6,701.25 to construct an accessible ramp at the corner of Chandler Creek Boulevard and Beckwood Trail. After discussion, upon a motion duly made by Director Wohlford and seconded by Director Bustillos, the Board voted unanimously to approve the proposal as submitted. A copy of the proposal is included in the Board Packet, attached hereto.

The next item of business before the Board was consideration of an addendum to future contracts and/or proposals. Ms. Johnson explained that, in order to standardize some basic contract terms, the addendum would be attached to proposals from vendors for which there was not a formal underlying contract. She added that this would make it easier for the District to use smaller vendors, such as a local painter or landscaper that may not work frequently with governmental entities. After review and a brief discussion, upon a motion duly made by Director Wohlford and seconded by Director Janda, the Board voted unanimously to approve the addendum as presented. A copy of the addendum as presented is included in the Board Packet, a copy of which is attached hereto.

The Board then discussed the date of the District's next regular Board of Directors meeting. After discussion, the Board decided that the District's next regular meeting would be held at 7:00 p.m. on February 19, 2018.

There being no further business to come before the Board, the meeting was adjourned.



Secretary, Board of Directors
The Meadows at Chandler Creek
Municipal Utility District



Attachments to the Minutes of the
The Meadows at Chandler Creek Municipal Utility District
January 15, 2018, Board of Directors Meeting

1. Board Packet;
2. Investment Policy Resolution; and
3. Proposal from Inframark for a storm water outlet survey.