

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 1**

October 4, 2018

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

A meeting of the Board of Directors of Wilbarger Creek Municipal Utility District No. 1 was held on October 4, 2018, at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 950, 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:

Bill Kochwelp	-	President
Tim Dalton	-	Vice President
Scott Sams	-	Secretary
Diana Zuniga	-	Assistant Secretary
[vacancy]	-	Assistant Secretary

and all of the Directors were present except Director Sams, thus constituting a quorum. Also present at the meeting were Lisa Wald of Bott & Douthitt, PLLC, the District’s bookkeeper; Ken Schroeder of Schroeder Engineering Company, the District’s engineer; Russ Allison of Argent Management, LLC, representing SG Land Holdings LLC, a developer in the District; Dennis Hendrix of Crossroads Utility Services LLC, the District’s utility operator; and John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel.

Director Kochwelp called the meeting to order at 12:00 p.m. and stated that the Board would first receive citizens’ communications. There being none, Director Kochwelp then stated that the Board would consider approving the minutes of the September 13, 2018 Board meeting. Upon motion by Director Zuniga and second by Director Dalton, the Board voted 3-0 to approve the minutes, as presented.

Director Kochwelp next announced that the Board would consider a proposal from Jay Joyce of Expergy to conduct a rate study for the District, Cottonwood Creek MUD No. 1, and Travis County MUD No. 2. Mr. Bartram directed the Board’s attention to the engagement letter attached as **Exhibit “B”** and reminded the Board that, after adjusting retail rates slightly in connection with the budget last month, the Board had directed him to obtain a proposal from the District’s rate consultant for a comprehensive rate study. He pointed out that the proposed fee of \$21,000 would be split among the three districts with active connections. After discussion, upon motion by Director Dalton and second by Director Zuniga, the Board voted 3-0 to engage Expergy on a cost-sharing basis with Cottonwood Creek MUD No. 1 and Travis County MUD No. 2.

Director Kochwelp next announced that the Board would receive a report from the District’s utility operator. Mr. Hendrix directed the Board’s attention to the operations report attached as **Exhibit “C”** and reviewed the latest water usage, take-or-pay water tracking, water quality, connection, billing, adjustments, and delinquent accounts reports. He noted that water

usage was at record levels, that water loss had decreased to -4.32%, that the wastewater treatment plant was operating fairly well, and that there were no write-offs for approval this month.

Director Kochwelp then stated that the Board would receive a report from the District's bookkeeper. Ms. Wald first reviewed the accounting report attached as **Exhibit "D"** and recommended approval of the Director and vendor payments and one transfer; however, she noted that Director Sams' per diem check would need to be voided due to absence. She then closed by reviewing the latest financial statements and noted that the District was currently about \$185,000 ahead of plan. After discussion, upon motion by Director Zuniga and second by Director Dalton, the Board voted 3-0 to approve the Director and vendor payments and the transfer, as presented.

Director Kochwelp next announced that the Board would receive a report from the developer. Mr. Allison first reported that all of the remaining lots in Phase 2 were now under contract and that a preliminary plat covering those lots had been submitted to Travis County for review. He stated that the plats for Sections 19B and 20 had been recorded and that there had been ten sales in Section 19B and four sales in Section 20 already. He stated that Meritage Homes had increased the price of its homes to an average of \$240,000 without affecting volume or velocity of sales. Mr. Allison then concluded by reporting that construction of Sections 24A and 24B was about 50% complete and that landscaping plans for the major parkways within ShadowGlen were in process.

Director Kochwelp then stated that the Board would receive a report from the District's engineer. Mr. Schroeder directed the Board's attention to the memorandum attached as **Exhibit "E"**. He first reported that the Misty Grove Boulevard and Silent Falls Way project was complete but that he was still waiting on certain close-out documentation before recommending acceptance of the project for operation and maintenance. He next reported that he had not received any additional pay estimates for Section 19B. He then presented and recommended approval of pay estimate nos. 3 (\$21,755.88) and 4 (\$3,600.00) for ShadowGlen Phase 2, Section 20, copies of which are attached collectively as **Exhibit "F"**. He stated that these pay estimates reflected work through August and 98.4% completion. Upon motion by Director Dalton and second by Director Zuniga, the Board voted 3-0 to approve the pay estimates. Mr. Schroeder then closed by addressing items related to the Master District, noting that the latest average daily flows at the wastewater treatment plant had been consistent, that the membrane equipment upgrades were complete, and that the Master District was initiating the process to renew the discharge permit.

There being no report from the financial advisor, Director Kochwelp then recognized Mr. Bartram for purposes of receiving a report from the District's attorney. Mr. Bartram reported that there were currently no outstanding consultant directives and stated that, unless the Board had any specific questions for him, he had nothing further to address at this time.

Director Kochwelp next announced that the Board would consider the Master District and Advisory Committee items on the agenda. Mr. Bartram first reviewed the Master District budget for the 2018-2019 fiscal year attached as **Exhibit "G"**, which he noted had been adopted in September and was being presented in accordance with the Master District Contract. He then reviewed the Master District's reservation and allocation of capacity for the 2018-2019 fiscal year as reflected in the Manor Area Districts Calculation of Reserved and Allocated Water/Wastewater LUEs for FYE 9/30/2019 attached as **Exhibit "H"**, as required under the Master District Contract and the Master District's Resolution Adopting Policy Regarding Reservation and Allocation of Capacity in Master District Facilities. Mr. Bartram then directed

the Board's attention to the agendas and minutes from the most recent joint meetings of the Board of Directors of Wilbarger Creek Municipal Utility District No. 2 and the Advisory Committee, which was a recurring agenda item so that the Board could stay informed of the activities of the Master District and Advisory Committee.

Director Kochwelp then stated that the Board would consider its future meeting schedule and agenda items. After discussion, the Board confirmed that the next meeting would be scheduled on an as-needed basis.

Director Kochwelp then asked if there was any further business to come before the Board. There being none, the meeting was adjourned at 12:15 p.m.

(Signature page follows.)





Scott Sams
Secretary, Board of Directors

Date: February 7, 2019