

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

December 4, 2014

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 December 4, 2014, at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, 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
D. Page Ragland	-	Assistant Secretary
Diana Zuniga	-	Assistant Secretary

and all of the Directors were present except Directors Dalton and Sams, thus constituting a quorum. Also present at the meeting were Mary Bott of Bott & Douthitt, PLLC, the District’s bookkeeper; Andrew Hunt and Dennis Hendrix of Crossroads Utility Services LLC, the District’s utility operator; Ken Schroeder of Schroeder Engineering Company, the District’s engineer; and John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel.

Director Kochwelp called the meeting to order at 12:07 p.m. and stated that the Board would first receive citizens’ communications. There being none, Director Kochwelp then stated that the Board would consider the sworn statements and oaths of office for the Directors deemed re-elected as of November 4th. Upon motion by Director Zuniga and second by Director Ragland, the Board voted unanimously to approve the sworn statement and oath of office for Director Kochwelp. Mr. Bartram stated that Directors Dalton and Sams could complete their sworn statements and oaths at the next meeting.

Director Kochwelp then stated that the Board would consider the election of officers. Mr. Bartram reviewed the existing slate of officers. After discussion, the Board agreed that the current slate of officers would remain unchanged.

Director Kochwelp then stated that the Board would consider approving a revised District Registration Form. Mr. Bartram reviewed the revised District Registration Form attached as **Exhibit “B”**, noting that it had been updated to reflect the new terms of office for the Directors re-elected on November 4, 2014. Upon motion by Director Zuniga and second by Director Ragland, the Board voted unanimously to approve the revised District Registration Form and its filing.

Director Kochwelp next announced that the Board would consider approving the following item on the consent agenda: the minutes of the September 4, 2014 Board meeting.

Upon motion by Director Zuniga and second by Director Ragland, the Board voted unanimously to approve the minutes.

Mr. Bartram then presented and reviewed the notices from Travis County Municipal Utility District No. 2 ("TCMUD#2"), copies of which are attached as **Exhibit "C"**, advising the District that TCMUD#2 had adopted operating budgets for the 2014-2015 fiscal year for three joint facilities projects in its capacity as the manager of those joint facilities. Mr. Bartram stated that all three of these projects affected the District, but that the only project for which expenses were anticipated was the Southeast Detention Pond. She stated that the District's share of expenses for this facility was projected to be \$1,675 for the year.

Director Kochwelp then stated that the Board would consider an amendment to the District's rate order. Mr. Bartram presented and reviewed with the Board the revisions to the District's current rate order reflected in the Amended Order Establishing Rates and Charges, and Adopting Rules with Respect to District Water, Wastewater and Drainage, Including Water Quality, Systems attached as **Exhibit "D"**. He stated that the changes were primarily administrative updates and clarifications that had been coordinated through the utility operator and that no changes to the rates themselves were proposed. After discussion, upon motion by Director Zuniga and second by Director Ragland, the Board voted unanimously to approve the Amended Order Establishing Rates and Charges, and Adopting Rules with Respect to District Water, Wastewater and Drainage, Including Water Quality, Systems, as presented.

Director Kochwelp then stated that the Board would consider taking action regarding plumbing inspection services. Mr. Bartram reported that, under the Development Agreement for the ShadowGlen subdivision, the City of Manor was authorized to conduct building inspections within the three ShadowGlen districts, which also included plumbing inspections. He noted that this had led to coordination issues as well as duplication of inspections and fees in the District and TCMUD#2, which had active development activity. Mr. Bartram stated that he and Mr. Hunt had recently met with City staff to investigate whether there was an opportunity for the ShadowGlen districts to contract with the City for plumbing inspections in an effort to eliminate these issues. He indicated that City staff was open to the idea and that he had prepared the Interlocal Agreement for Plumbing Inspections within the ShadowGlen Subdivision attached as **Exhibit "E"** to facilitate discussions. After discussion, the Board generally agreed that it made sense to coordinate plumbing inspections with the City to avoid the duplication of services and fees and, upon motion by Director Zuniga and second by Director Ragland, voted unanimously to authorize Director Kochwelp to execute the Interlocal Agreement on behalf of the District when finalized.

Director Kochwelp then stated that the Board would receive a report from the District's utility operator. Mr. Hunt directed the Board's attention to the utility report attached as **Exhibit "F"**. He reported that utility operations had generally been quiet. He pointed out that water consumption had increased, that water loss had averaged 4% to 6% over the last few months, and that the bacteriological and chlorine samples were satisfactory. He then reviewed the connection, billing, adjustments, and delinquent accounts reports and stated that there were no write-offs this month. Mr. Hunt then concluded the operations report by introducing Mr. Hendrix. He stated that, over the next few months, Mr. Hendrix would be transitioning in as his company's contract manager for the District.

Director Kochwelp then stated that the Board would receive a report from the District's bookkeeper. Ms. Bott first reviewed the bookkeeper's report attached as **Exhibit "G"**, including the bills, invoices, and transfers set forth on the updated cash activity report, and recommended approval. She next reviewed the cash/investment activity report including the

quarterly investment report, the tax collection report, and the District's financial statements as of October 31, 2014. She stated that the District was off to a good start for the 2015 fiscal with a ±\$11,000 positive budget variance. After discussion, upon motion by Director Zuniga and second by Director Ragland, the Board voted unanimously to approve the bills, invoices, and transfers as presented.

Director Kochwelp stated that the Board would next receive a report from the developers. Mr. Bartram noted that Mr. Allison was not in attendance. He stated that Mr. Allison had reported earlier in the week that Ryland Homes had opened its sales center in ShadowGlen and had taken deposits for lot reservations already. Mr. Bartram stated that Mr. Allison expected 2015 to be a busy year.

Director Kochwelp then stated that the Board would receive a report from the District's engineer. Mr. Schroeder first reviewed the engineering report attached as **Exhibit "H"**. With respect to District matters, he stated that the Crossroads Utility Services invoice was in order and within budget. Mr. Schroeder then addressed items related to the Master District, noting that the daily wastewater flows at the wastewater treatment plant for the month of October had averaged ±161,000 gpd, with a maximum day of ±234,000 gpd, which he stated were generally within the expected range of flows based on the current number of connections. Mr. Schroeder next reported that Master District repairs and maintenance were within budget and all invoices were in order. He stated that it was his understanding that Ovivo USA, LLC had completed the cross-recycling modifications to the wastewater treatment plant and was planning to begin the energy consumption retest in January. Mr. Schroeder concluded by reporting that the emergency water interconnect project was very close to completion, that the discharge permit for the wastewater treatment plant was expected to be renewed soon, and that Crossroads Utility Services was working on a couple of small capital improvement projects at the wastewater treatment plant.

Director Kochwelp next announced that the Board and Advisory Committee would receive a report from the District's financial advisor. Mr. Bartram stated that Ms. Allen had been unable to attend the meeting. He then directed attention to the materials from Travis Central Appraisal District and the Travis County Tax Assessor/Collector attached as **Exhibit "I"** summarizing the District's jurisdictional liability to the appraisal district for the 2015 fiscal year and the 2014 tax levy and collection fees.

Director Kochwelp then recognized Mr. Bartram for purposes of receiving a report from the District's attorney. Mr. Bartram first reviewed his directives from the previous Board meeting. He stated that Mr. Allison had not gotten back to him on the price of the golf course lots.

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 2014-2015 fiscal year attached as **Exhibit "J"**, 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 2015 fiscal year as reflected in the Calculation of Reserved and Allocated Water/Wastewater LUEs for FYE 9/30/2015 attached as **Exhibit "K"**, 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. Ms. Bott pointed out that, due to development in Cottonwood Creek MUD No. 1, the allocations had changed slightly from the previous year. 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. Mr. Bartram advised that the Board would need to meet again in February to review and approve the District's audit for the fiscal year ended September 30, 2014.

Director Kochwelp then asked if there was any further business to come before the Board. There being none, the meeting was adjourned at 12:25 p.m.

(Signature page follows.)

(SEAL)



Date: February 5, 2015

Scott Sams, Secretary
Board of Directors