

WALSH RANCH MUNICIPAL UTILITY DISTRICT

PUBLIC NOTICE OF REGULAR MEETING

TAKE NOTICE THAT A REGULAR MEETING OF THE
Board of Directors of
Walsh Ranch Municipal Utility District
Will be held at 4201 West Parmer Lane, Suite B-200
Austin, Texas 78727

in Travis County, Texas, commencing at 11:30 a.m. on November 10, 2010, said meeting being open to the public, for the Board of Directors to consider and act upon any lawful subject which may come before it, including among others, the following:

AGENDA:

1. Call to order.
2. Roll call of Directors.
3. Read, correct and consider approval of the Minutes from the August 25, 2010 Board of Directors' meeting.
4. Citizen comments. [This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issues is limited to a proposal to place it on the agenda for a later meeting.]
5. Manager's summary of operations. Review and consider approval of September and October 2010 Manager's Reports.
6. Bookkeeper's summary of finances. Review and consider approval of Bookkeeper's Reports dated August 25, September 29, and November 10, 2010, including approval of fund transfers and director and vendor payments.
7. Review and discuss Randall Delgado's summary of maintenance activities, and consider authorization of any requested maintenance. (This is a new item that I intend to include as a recurring item. Mr. Delgado is providing a written status report on maintenance issues. We have not received his report yet, but expect it before the meeting.)
8. Review and consider approval of Resolution Appointing Investment Officer. (A qualified investment officer is the only person who can invest the MUD's money. This

resolution would appoint Mary Bott and Allen Douthitt as the MUD's investment officers.)

9. Discussion of Southwest Water Company's exit from the business of management of utility district operations in central Texas, and consider approval of a Mutual Termination Agreement that would release them from their management contract with the District. (SWWC is ending its MUD management services in the area, and they want out of their contract with the District, which expires in March. Three companies are proposing to manage the District. We are negotiating the termination agreement with SWWC's counsel. I am sending you the draft of the termination agreement (their original draft, with our changes shown), which is not yet in final form.)
10. Review and consider accepting a proposal for general management services from one of three proposers: AWR Services, Crossroads Utility Services, and Severn Trent Services. (The Crossroads and Severn proposals were mailed to all Board members, AWR's proposal is included in this packet.)
11. Consideration of creating a temporary "transition committee" to assist the District with transition to a new general manager, with the committee having authority to take actions consistent with implementation of the District's selection of a general manager. (The purpose of this item is to delegate authority for signing transition-related documents so that the Board does not have to conduct a meeting to approve the documents.)
12. Review and consider action on proposal for property insurance from Texas Municipal League. (The MUD is considering the purchase of property insurance covering the pool, amenity center, entry feature, and rock wall.)
13. Discuss and consider taking action to install a sidewalk along both sides of Marcasite Drive on the block adjoining Walsh Ranch Boulevard. (There is a missing segment of sidewalk, and the MUD has been asked to install the sidewalk segment. The segment is not on "MUD property" and the homebuilder/homeowner may be responsible for the installation.)
14. General counsel's report on a meeting with the Walsh Ranch Homeowner's Association to coordinate insurance, land ownership, and facility maintenance obligations. (We are taking steps to better coordinate insurance coverage, maintenance, and management of facilities. This will be a big picture overview.)
15. Review and discussion of possible arrangements for the day-to-day management of the District's property – including consideration of self-management through a committee, or delegation of routine management duties to the Walsh Ranch Homeowner's Association. (The MUD needs to determine who will manage the day-to-day operations and maintenance of the pool, amenity center, and entry feature. The HOA has expressed a desire to manage some of the District's property.)
16. Consider amending the District's Rate Order to discontinue charging the Walsh Ranch Homeowner's Association for utilities purchased from the District which serve District property. (The HOA buys utilities from the MUD to service the MUD's property (e.g. –

water to fill up the pool, water for the lawn of the amenity center) and they want to not be charged for these utilities.)

17. General counsel’s overview of the rules relating to District use of surplus bond proceeds, and solicitation of potential projects that to be financed with the District’s surplus bond proceeds. (The MUD has surplus bond proceeds which can be used in a variety of ways. Some uses require TCEQ approval (e.g smoke testing sewer lines), and others do not (e.g. – repairing a detention pond). We want to identify any projects that the MUD wants to finance with these funds, so we can identify the applicable process.)
18. Discuss that date of the next meeting, and items that need to be on the agenda for the next regular meeting.

Adjourn.

The Board may go into closed session at any time when permitted by Chapter 551, Government Code. Before going into closed session a quorum of the Board must be assembled in the meeting room, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551, Government code, authorizing the closed session.

(SEAL)

Attorney for the District

The District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Patrick Hudson, McLean & Howard, L.L.P., at (512) 328-2008, for information.

WALSH RANCH MUNICIPAL UTILITY DISTRICT

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

August 25, 2010

A meeting of the Board of Directors of Walsh Ranch Municipal Utility District was held at 4201 West Parmer Lane, Suite B-200, Austin, Texas 78727, commencing at 11:30 a.m. on August 25, 2010 pursuant to notice duly given in accordance with the Open Meetings Act. An Affidavit of Filing and Posting Notice is attached hereto as **Exhibit A**.

- 1. Call to Order.** At 11:30 a.m. on August 25, 2010, Rashid D. Shamsie, Jr., called the meeting to order.
- 2. Quorum of Directors.** Present at the meeting and constituting a quorum of the full Board of Directors were the following persons:

Christopher Hatch
Laurie Mahnke
Rashid D. Shamsie, Jr.
Chad Stonecipher
Brian White

Also present and attending all or part of the meeting were the following persons:

Patrick Hudson, McLean & Howard, L.L.P.
Andrew Hunt, Southwest Water Company
Jessica Winters, McLean & Howard, L.L.P.

- 3. Approval of Meeting Minutes from August 5, 2010 Meeting.** After reviewing the minutes from the prior meeting, on motion made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED that the minutes of the meeting of August 5, 2010 have been reviewed by the Directors and are hereby approved as presented, without modification, and adopted as the minutes of such meeting.

4. **Citizen Comments.** The Board of Directors provided an opportunity for citizens to address the Board of Directors concerning issues of community interest. No citizen comments were received.

5. **Manager's Reports.** The Board reviewed the August 25, 2010 Manager's Report, a copy of which had been circulated prior to the meeting. Andrew Hunt presented the manager's summary of operations. Mr. Hunt discussed sewer line testing, said that he was coordinating with Jim Cook, and said prices were about \$1.75 a linear foot for inspection, which did not include the cost of any needed repairs. The Board discussed the two year difference in section completion dates, and expressed a preference for completing testing on all sections at one time, for efficiency purposes. Patrick Hudson discussed bidding requirements and use of surplus bond proceeds. Mr. Hunt and Mr. Hudson agreed to work together to answer the Directors' questions regarding bidding and surplus bond proceeds. Mr. Hunt discussed his written response to the City of Round Rock's request for information on the industrial waste pretreatment program. On motion made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED that the August 25, 2010 Manager's Report, a true and correct copy of which is attached hereto as **Exhibit B**, is hereby approved and adopted by the Board.

6. **Approval of Bookkeeper's Report.** The Board reviewed the Bookkeeper's Report dated May 26, 2010, a copy of which had been circulated previously but not officially approved at a meeting. On motion made, seconded, and unanimously carried, the following resolutions were adopted:

RESOLVED that the May 26, 2010 Bookkeeper's Report, a true and correct copy of which is attached hereto as **Exhibit C**, is hereby approved and adopted by the Board.

7. **Public Hearing Regarding the 2010 Tax Rate.** The Board of Directors convened the public hearing regarding the 2010 tax rate pursuant to notice published on August 14, 2010, in the Round Rock Leader, a true and correct copy of said notice being attached hereto as **Exhibit D**. No public comments were received during the hearing, and the hearing was adjourned.

8. **Consideration, Action and Approval of Resolution Adopting Property Tax Rate.** Patrick Hudson discussed the provisions of Water Code Section 54.602 regarding the method for establishing a tax rate. The Board discussed the proposed tax rate establishing an overall tax rate at 65 cents per \$100 of assessed valuation, based on a maintenance and operations rate of \$0.29 and a debt service rate of \$0.36. The Board noted that the proposed overall tax rate would

maintain the present overall tax rate. On motion made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED that the Resolution Adopting Property Tax Rate for the District, a true and correct copy of which is attached hereto as **Exhibit E**, is hereby approved and adopted by the Board.

9. Review and Discussion of Performance of Contract for Pond Inspections. The Board discussed the contract for pond inspections between the District and Construction Services and received an update from Director Shamsie on Construction Services' progress and services. No action was taken on this item.

10. Discussion and Consideration of Proposal for Property Insurance for certain District Property. Patrick Hudson discussed a proposal from Texas Municipal League regarding property insurance for the District's entry feature and rock wall. The Board discussed the options for insuring the District's property. On motion made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED that the proposal for property insurance from Texas Municipal League, a true and correct copy of which is attached hereto as **Exhibit F**, is hereby approved by the Board, and general counsel is directed to obtain insurance consistent with the proposal.

11. Review and Approval of Engagement Agreement from Bott & Douthitt PLLC. The Board reviewed and discussed the proposed engagement agreement for bookkeeping services from Bott & Douthitt PLLC. On motion made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED that the engagement agreement for bookkeeping services from Bott & Douthitt PLLC, a true and correct copy of which is attached hereto as **Exhibit G**, is approved and adopted by the Board.

12. Review and Approval of Materials Necessary for Bott & Douthitt PLLC to Perform Bookkeeping Services. The Board reviewed and discussed certain materials needed by Bott & Douthitt PLLC in order to to perform their bookkeeping services. Specifically, the Board reviewed the general authorization letter, the TexPool Resolution and IRS Forms 8822 and 2848. On motion made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED that the general authorization letter, the TexPool Resolution, and IRS Forms 8822 and 2848, true and correct copies of which are attached hereto as **Exhibit H**, are approved and adopted by the Board.

13. Review and Approval of Changing Authorized Signatories on the District's Manager's Account. The Board discussed changing the authorized signatories on the District's Manager's Account. On motion made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED that the Resolution Authorizing Check Writing Authority, a true and correct copy of which is attached hereto as **Exhibit I**, is hereby approved and adopted by the Board.

14. Review and Approval of Record Management Policy and Designation of Local Government Records Management Officer. The Board reviewed and discussed the proposed Record Management Policy and Designation of Local Government Records Management Officer. The Board designated Patrick Hudson as Records Management Officer. On motion made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED that the Record Management Policy and the Designation of Local Government Records Management Officer, true and correct copies of which are attached hereto as **Exhibit J**, are approved and adopted by the Board.

FURTHER RESOLVED that Patrick Hudson is directed to file any necessary documents with the State and Local Records Management Division of the Texas State Library and Archives Commission to finalize such Record Management Policy and Designation of Local Government Records Management Officer.

15. Discussion of Ownership and Maintenance of Fence Lots. Patrick Hudson discussed the ownership and maintenance of the fence lots with the Board, and suggested that he meet with the homeowner's association to coordinate maintenance and insurance.

16. Next Meeting Date and Items to be on Agenda for Next Meeting. The Board discussed the next meeting date. The Board determined that the next regular Board meeting would be held on November 10, 2010.

17. Adjournment. There being no further business before the Board, on motion made, seconded and unanimously carried, the meeting was adjourned.

Executed to be effective on August 25, 2010.

WALSH RANCH MUNICIPAL UTILITY DISTRICT

By: _____

Name: _____

Title: _____

ATTESTATION:

By: _____

NAME: _____

TITLE: _____

[SEAL]