MINUTES OF REGULAR MEETING
OF
WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 13

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Williamson County Municipal Utility District No. 13, open to the public, was held on May 8, 2014, at the ABC Bank, 610 W. 5th Street, 2nd Floor, Austin, Texas 78701, pursuant to notice duly given in accordance with law.

1. CALL TO ORDER

The meeting was called to order.

2. ROLL CALL OF DIRECTORS

A roll call of the Directors was taken. The Directors present were J. Dale Layne, Marty Vannatter, Bill Gordon, Bob Riester and Powell Thompson, constituting a quorum. All Directors were present.

Also present at the meeting were Keith Collins, Mike Willatt, Bill Flickinger, Tricia Melton, Jeff Garrett, Scott Manuel, Bill Gunn and Jeniffer Concienne.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF PRIOR MEETINGS

President Dale Layne entertained a motion for approval of the minutes. Motion was made by Bill Gordon and seconded by Marty Vannatter to approve the minutes of the April 10, 2014 meeting as presented. The motion carried unanimously.

5. DEVELOPER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICES WITHIN THE DISTRICT, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT AND STATUS OF DEVELOPMENT LOANS AND ACTIONS OF THIRD PARTIES OPPOSING OR SUPPORTING DEVELOPMENT WITHIN THE DISTRICT

Bill Gunn had nothing to report.

6. ENGINEER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICES WITHIN THE DISTRICT, SALES OF LOTS TO BUILDERS AND HOMEBUILDING WITHIN THE DISTRICT AND PAST, PRESENT AND FUTURE BOND ISSUES

Engineer Keith Collins reported that they are finishing up on Summerlyn South Section 1. The walk-thru will be conducted in a couple of weeks. Section 2 is about to be bid out and Sections 3 and 4 are in the design process.

Mr. Collins then discussed the MS4 application for stormwater that is due in June. He presented a copy of the Notice of Intent. The District hired Carol Blackman to handle this and is in a coalition with seven other MUDs to help reduce the cost of this project. Carol Blackman's office and Mr. Collins will probably pass out the materials to the noticed parties. The President will need to sign the Notice of Intent and Mr. Collins will need a check for the $100 TCEQ filing fee. The cost per year will be about $8,500. After discussion, motion was made by Marty Vannatter and seconded by Bob Riester to approve the MS4 application and $100 TCEQ filing fee. The motion carried unanimously.

7. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Tricia Melton presented an updated cash activity report and discussed the financials with the Board, including Check No. 5500 in the amount of $100 to the TCEQ for the MS4 application and the three transfers from the operating account to the bookkeeper's account, from the tax account to the general fund money market account and from the tax account to the debt service account. After further discussion of the financials, President Dale Layne entertained a motion for approval. Motion was made by Bill Gordon and seconded by Marty Vannatter to approve payment of the per diems, invoices and the foregoing transfers as presented. The motion carried unanimously.

8. PROPOSALS FOR MANAGEMENT OF LANDSCAPE AND DRAINAGE MAINTENANCE

Attorney Bill Flickinger discussed the proposals received from ST and US Water in connection with managing the landscaping maintenance within the District. ST no longer manages the District's lift station since the City of Liberty Hill took over. Since the District does not have a manager, these issues, such as landscaping matters are coming to the law firm, which can be very expensive. Both ST and US Water presented proposals for $500 per month for the management of landscaping.

Scott Manuel addressed the Board and discussed his proposal. The proposal is for a one-year contract that can be cancelled at anytime. His company currently operates the City of Liberty Hill's water system and they are out by the District all the time, so it would not be a problem to drive by

and check on the landscaping maintenance.

Jeff Garrett addressed the Board and discussed his proposal. His company operates the City of Liberty Hill's wastewater treatment plant. The contract he is proposing is for a five-year contract and can terminate with 90-days notice within the first five years and then 30-days notice after five years. Mr. Garrett's office is located across the street from the District.

Mr. Manuel and Mr. Garrett left the room so the Board could discuss the details of retaining a manager to manage the landscaping maintenance. There were concerns as to hiring someone to do this since the landscaping is already costing the District $1,600 per month. Powell Thompson asked if ST or US Water could do the mowing instead of the current contractor. The answer was no. Marty Vannatter reviewed the invoice that Capital Landcare submitted for the landscaping. The Board agreed that whoever is hired needs to look for a more reasonable landscaper to do the mowing. The area being mowed was discussed and reviewed on a map provided by Engineer Keith Collins. The Board concluded that they had a long working history with Jeff Garret and was pleased with the work that he provided for the District.

The Board asked Mr. Manuel and Mr. Garrett to return to the room, as they have made a decision. President Dale Layne thanked Scott Manuel for his time and stated that their decision was based on past experience and satisfactory work that Jeff Garrett has provided to the District and have decided to accept the proposal submitted by US Water. Mr. Manuel in return thanked the Board for their time. Mr. Manuel left the meeting.

Motion was made by Bill Gordon and seconded by Marty Vannatter to accept the proposal submitted by US Water for management of landscaping maintenance. The motion carried unanimously. Jeff Garrett will check on competitive mowing companies and talk to the HOA to see fi they want to share in expense, but believe that the HOA only mows along the sidewalks, so that may not be an option. Mr. Garrett will report back at the next meeting.

9. APPROVAL OF CONSTRUCTION PLANS AND PAY ESTIMATES, CHANGE ORDERS AND ACCEPTANCES OF COMPLETION WITH RESPECT TO CONSTRUCTION CONTRACTS

Engineer Keith Collins presented and recommend approval of the following pay estimates and change order:

Pay Estimate No. 3 in the amount of $274,679.95 for Summerlyn South Section 1 - Street Excavation & Drainage, Water, Wastewater, Lift Station & Erosion Control Improvements submitted by DNT Construction, L.L.C.; and

Pay Estimate No. 4 in the amount of $245,218.73 for Summerlyn South Section 1 - Street Excavation & Drainage, Water, Wastewater, Lift Station & Erosion Control Improvements submitted by DNT Construction, L.L.C.; and

Change Order No. 1 in the amount of $4,882.00 for Summerlyn South Section 1 - Street Excavation & Drainage, Water, Wastewater, Lift Station & Erosion Control Improvements submitted by DNT Construction, L.L.C. The change order is due to the realignment of the wastewater gravity line and force main, which was necessary to avoid a grove of large oak trees near the lift station. The project is 95% complete.

President Dale Layne entertained a motion for approval. Motion was made by Bill Gordon and seconded by Bob Riester to approve payment of the foregoing pay estimates and change order as presented. The motion carried unanimously.

10. ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION AND ADMINISTRATION OF CONSTRUCTION CONTRACTS

This is a standing item. There was no discussion.

11. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT FOR THE DISTRICT'S 5TH BOND ISSUE

This is a standing item. There was no discussion.

12. ADJOURN

President Dale Layne adjourned the meeting.

J. Dale Layne, President

ATTEST:

William W. Gordon, Secretary

[SEAL]

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