

LAKE POINTE MUNICIPAL UTILITY DISTRICT

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

August 9, 2018

The Board of Directors of Lake Pointe Municipal Utility District (the "District") met in a regular session, open to the public, inside the boundaries of the District, in the Lake Pointe Community Center, 11700 Sonoma Drive, Austin, Texas 78738 on August 9, 2018 at 7:00 p.m. The District posted a copy of the notice of meeting along with associated certificates, attached as "Exhibit A."

Item No. 1

Item No. 1 was the Call to Order and Establish Quorum. Counsel Wilburn called the roll of the members of the Board of Directors:

Director Rick Arney
Director Joe Boyer
Director Jim Burgeson
Director Mike Burshnick
Director Fred Goff
Director Steven Knuff
Director Jim Norris
Director Marci O'Connell
Director Robert Salgo
Director Darrell Thornley

All of the members of the Board were present, except Directors Boyer and O'Connell. Also, in attendance were Valerie Wheeler and William Swanks with TUMCO Consultants; Randall Wilburn with Gilbert Wilburn PLLC; Guillermo Angulo of LandCare; Pat Sinnott with the Lake Austin Lake Pointe HOA; and residents Jim Carpenter and Jeff Dunleavy.

Item No. 2

Item No. 2 was to receive Public Comment on items not on the Agenda. Pat Sinnott relayed a request from the Lake Austin Lake Pointe HOA that the District include funds in the upcoming budget to cover the costs of trimming the Cypress trees around the Carlsbad Pond and the costs for lighting enhancements for the entrances to the Lake Pointe MUD. Messrs. Jim Carpenter and Jeff Dunleavy expressed their concern regarding the onsite sewer systems located in the neighboring subdivision and the potential impact on the District's adjacent property, including the District's water quality ponds. The Board took **NO ACTION** on this item.

Item Nos. 3 and 4

Item Nos. 3 and 4 were to review and approve the minutes of the June 14, 2018 and July 12, 2018 Lake Pointe MUD Board of Directors' meeting. Director Salgo made a motion to approve the minutes as presented. Director Thornley seconded the motion, and it **PASSED** unanimously.

Item No. 5

Item No. 5 was to discuss, consider, and take action as necessary regarding the District's financial reports and payment of the District's bills. Operations Manager Wheeler provided an update regarding the preliminary budget for the District for the remainder of the fiscal year. Director Knuff made a motion to approve the bills as presented, but to hold the LandCare bill until Director Knuff confirmed that LandCare had completed work on property cleanup behind the Community Center. Director Norris seconded the motion, and it **PASSED** unanimously.

Item No. 6

Item No. 6 was to discuss, consider, and take action as necessary regarding landscape services with the Lake Pointe Subdivision. Guillermo Angulo presented three proposals: Proposal No. 1 to remove cedar trees at Vista Pointe Park for an amount not to exceed \$792.27; Proposal No. 2 to add Kiddie Mulch in the play area of the Vista Pointe Park for an amount not to exceed \$1,092.18; and, Proposal No. 3 to re-sod bare areas along Resaca Blvd for a price not to exceed \$4,027.92. The Board discussed obtaining alternate bids for the tree removal and postponing consideration of the re-sod of Resaca. Director Arney made a motion to approve Proposal No. 2 as presented. Director Thornley seconded the motion, and it **PASSED** unanimously.

Mr. Angulo noted that LandCare had prepared a new budget beginning March 1, 2019, which included a \$183 per month increase in the base landscape charge for the District.

Director Thornley expressed his concern regarding the landscape maintenance of the Alliant Gas tank site.

Director Salgo noted that the landscape committee had prepared a new schedule and associated work area map to be included in an amended agreement with LandCare. Director Arney made a motion authorizing legal counsel to prepare an amendment to the landscape maintenance agreement with LandCare that incorporates the changes in scope and the new map. Director Salgo seconded the motion, and it **PASSED** unanimously.

Item No. 7

Item No. 7 was to discuss, consider, and take action as necessary regarding the ongoing activities of the West Travis County Public Utility Agency ("PUA"), including discussions regarding easements for the PUA Raw Water Line. President Knuff informed the Board of the PUA's proposal for a construction entrance for the raw water line project, which would use the Community Center parking lot as an access point for trucks and equipment. He noted that he had spoken with the HOA President, and the District would wait until the HOA resolved its issues with the PUA before proceeding with the execution of any easement documents for the Community Center. Mr. Knuff also informed the Board that the PUA was scheduled to start the manhole rehabilitation program in the District within the next couple of weeks. Director Thornley asked about the status of construction plans and bid documents for the PUA Raw Water Line project. Director Salgo noted that Dennis Lozano with Murfee Engineering had committed to providing the District with those documents for review and comment prior to letting the bid. Counsel Wilburn stated he would invite Mr. Lozano and ask him to provide the Board with an update at its next Board meeting. The Board took **NO ACTION** on this item.

Item No. 8

Item No. 8 was to discuss, consider, and take action as necessary regarding the Preserve. Director Norris provided an update to the board from the dock subcommittee. He noted that he had preliminary discussions with Rick Rasberry regarding the acquisition of the necessary permits for a new dock and that he had scheduled a conference call with Mr. Rasberry to discuss the problems facing the District in greater detail.

Director Thornley noted that a board was missing from the dock due to an underwater tree stump. He made a motion authorizing Mr. Swanks with TUMCO to repair any missing or broken boards, to finish any welding and grinding of posts as necessary, and to install bolts on the ladder for a cost not to exceed \$1500.00. Director Burgeson seconded the motion, and it **PASSED** unanimously.

Item No. 9

Item No. 9 was to discuss, consider, and take action as necessary regarding the Boundary Fence. Counsel Wilburn noted that he had not forwarded the proposed agreement with the changes to the HOA due to the upcoming discussion of possibly including additional fences within the agreement. President Knuff asked Mr. Wilburn to forward the agreement as currently drafted. The Board took **NO ACTION** on this item.

Item No. 10

Item No. 10 was to discuss, consider, and take action as necessary regarding the repair and maintenance of District facilities. Director Salgo advised the Board that he had asked Jim Connoly to fill the hole in the boundary wall adjacent to the Lake Pointe Elementary School.

William Swanks of TUMCO informed the Board that he was waiting on the canopy company to install the new canopy for the Vista Pointe Park playscape. Mr. Swanks also informed the Board that he had a walkthrough of the District's water quality ponds with

the District engineer.

Director Salgo expressed his continued concern about the drainage and erosion issues at the Lyons Club pond. Director Salgo made a motion for the District to authorize the District Engineer to develop conceptual plans for addressing the issues at the Lyons Club pond. Director Arney seconded the motion, and it **PASSED** unanimously.

Messrs. Carpenter and Dunleavy expressed their concerns regarding the landscaping and fence located at the entrance to Section 9 of the Lake Pointe Subdivision. The Board asked that a subcommittee of Directors Burshnick, Norris, Arney, and Knuff investigate the landscaping, irrigation, and wall issues at the Section 9 entrance and report back to the full Board.

Item No. 11

Item No. 11 was to discuss, consider, and take action as necessary regarding the Lake Pointe MUD website. President Knuff reported that Big Marketing is updating the District's online documents and Director biographies, and that the District should have a temporary website available for Director review before next month's Board meeting. The Board took **NO ACTION** on this item.

Item No. 12

Item No. 12 was to discuss, consider, and take action as necessary regarding the District's Construction Deposit Rule. Director Salgo presented to the Board the revised draft, and he recommended that the Board adopt the rule as presented. Director Knuff made a motion to adopt the revised rule as presented. Director Burshnick seconded the motion, and it **PASSED** unanimously.

Item Nos. 13 and 14

Item No. 13 was to discuss, consider, and take action as necessary regarding the FY2019 District budget. Item No. 14 was to discuss, consider, and take action as necessary regarding the adoption of the District tax rates for FY2018-19.

Operations Manager presented a draft proposal for the FY2019 District budget. The Board discussed upcoming budgeting priorities, including repair of the Lyons Club pond, rehabilitation of all District ponds, the construction of a new wall along Resaca, and continued District operations. Director Arney made a motion to approve a preliminary budget of \$715,000 for FY2019. Director Salgo seconded the motion, and it **PASSED** unanimously.

The Board discussed issues concerning upcoming repair projects that may preclude lowering the tax rate significantly. Director Thornley expressed his concern regarding the age of the District's facilities. Director Burgeson expressed his desire for the District to maintain large reserves. Director Arney made a motion for the District to advertise a proposed District-wide tax rate for M&O at \$0.17 per \$100 assessed value. Director Burshnick seconded the motion, and it **PASSED** unanimously.

The Board then discussed the adoption of debt service rates for the MUD3 Defined Area Taxing Unit. After a presentation regarding possible payoff of the debt for the defined area, Director Burgeson made a motion to pay off the debt in 2018 and for the District to advertise a proposed debt-service tax rate of \$0.00 per \$100 assessed value. Director Norris seconded the motion, and it **PASSED** unanimously.

The Board then discussed the adoption of debt service rates for the MUD5 Defined Area Taxing Unit. After a presentation regarding how the District will pay off the debt for the defined area in a future year, Director Salgo made a motion for the District to advertise a proposed debt-service tax rate of \$0.06 per \$100 assessed value. Director Norris seconded the motion, and it **PASSED** unanimously.

Item No. 15

Item No. 15 was to discuss election related items as posted on the Supplemental Agenda, including an Order Calling Directors' Election for November 6, 2018; the Election Agreement between Travis County Elections Division and the District; authorize the District's attorney to give notice of the November 6, 2018 election; and any other matter related to the November 6, 2018 election.

Counsel Wilburn presented a draft Order Calling for a Directors' Election for November 6, 2018. Director Arney made a motion to approve the Order as presented. Director Thornley seconded the motion, and the motion **PASSED** unanimously.

Counsel Wilburn explained that the Travis County Elections Division was unsure whether the District must execute a new election contract with the county, and he recommended the Board authorize the President to execute a new election contract if necessary. Director Burgeson made a motion to authorize the President to execute a new election contract if necessary. Director Goff seconded the motion, and it **PASSED** unanimously.

Director Burshnick made a motion to authorize the District's attorney to give notice of the November 6, 2018 Director election. Director Arney seconded the motion, and it **PASSED** unanimously.

Executive Session

At 9:56, President Knuff announced that the Board would recess the open meeting and convene in Executive Session to receive legal advice from the District's attorney regarding ongoing or threatened litigation regarding the District's property in accordance with Section 551.071 of the Texas Government Code.

At 10:27, President Knuff reconvened the Board in open session, announcing that the Board took no action during the Executive Session.

Item No. 16

Item No. 16 was items for Future Agendas. The Board took **NO ACTION** on this item.

Item No. 17

Item No. 17 was Adjournment. Director Arney made a motion to adjourn the meeting. Director Knuff seconded the motion, and it **PASSED** unanimously.

PASSED, APPROVED, AND ADOPTED this 13th day of September 2018.


Frederick W. Goff, Secretary

(DISTRICT SEAL)