

LAKE POINTE MUNICIPAL UTILITY DISTRICT

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

September 13, 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 September 13, 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 Arney and Boyer. Also, in attendance were Valerie Wheeler and William Swanks with TUMCO Consultants; Randall Wilburn with Gilbert Wilburn PLLC; Guillermo Angulo and Lucas of LandCare; Laura Jones and Jimmy Rommel with Maxwell Locke & Ritter; and Dennis Lozano with Murfee Engineering.

Item No. 2

Item No. 2 was to receive Public Comment on items not on the Agenda. No members of the public addressed the Board. The Board took **NO ACTION** on this item.

Item No. 3

Item No. 3 was to review and approve the minutes of the August 9, 2018 Board of Directors' meeting. Director Salgo made a motion to approve the minutes as presented. Director Burgeson seconded the motion, and it **PASSED** unanimously.

Item No. 4

Item No. 4 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 presented the reports and bills for the Board's consideration. Director O'Connell made a motion to approve the bills as presented. Director Burgeson seconded the motion, and it **PASSED** unanimously.

Item No. 5

Item No. 5 was to discuss, consider, and take action as necessary regarding the Audits for West Travis Co. MUD Nos. 3 and 5. Mr. Rommel and Ms. Jones presented the end-of-period audits for the former districts. They noted that both districts earned an unmodified opinion, which is the best opinion for a district audit. The audits for both districts covered the period from October 1, 2017 through May 16, 2018. Director Burgeson made a motion to accept the audits as presented and to authorize TUMCO to file the audit reports with the Texas Commission on Environmental Quality. Director Thornley seconded the motion, and it **PASSED** unanimously.

Item No. 6

Item No. 6 was to discuss, consider, and take action as necessary regarding the repair and maintenance of District facilities, including the Lyons Club system repair, soil testing of the Section 6 water quality ponds, and the landscape area located at the entrance to the Pointe.

Directors O'Connell and Salgo advised the Board of their ongoing discussions with the District's engineer regarding the development of a preliminary plan to address the issues at the Lyons Club pond. As part of that plan, the District's engineer will develop a conceptual plan for reconstruction as part of the first phase, which would include meeting with area residents to obtain a better understanding of the drainage issues in the area. The District's engineer will also be the point person with Travis County Transportation and Natural Resources Department regarding any issues related to the District's ponds. In preparation of the conceptual plan, the District's engineer needs a survey of the area at a cost not to exceed \$4,000. Director Burshnick made a motion to approve the survey proposal as presented. Director Norris seconded the motion, and it **PASSED** unanimously.

Director Burgeson expressed his concern regarding possible contamination of the District's Section 6 water quality ponds from the neighboring onsite sewage disposal facilities. He thought the District may need to perform some soil testing to establish a baseline contaminant level in the ponds. After discussion, the consensus of the Board was to wait on testing until some time in the future.

The Board then discussed the request to add the landscape area in Section 9 outside the vehicle gate located at the entrance to the Pointe. After some discussion, the Board asked TUMCO to work with LandCare in developing a cost estimate for maintaining the landscape area, excluding maintenance of the fountain. The Board took **NO FURTHER ACTION** on this item.

Item No. 7

Item No. 7 was to discuss, consider, and take action as necessary regarding landscape services with the Lake Pointe Subdivision. Guillermo Angulo introduced his new project manager, Lucas. He then presented two proposals: Proposal No. 1 to remove cedar trees at Vista Pointe Park for an amount not to exceed \$792.27 and Proposal No. 2 to add the annual color at the subdivision entrances for a cost not to exceed \$900.00. Director Salgo made a motion to approve both proposals as presented. Director Burgeson seconded the motion, and it **PASSED** unanimously.

The Board then discussed LandCare's maintenance of the area behind and adjacent to the water quality pond located behind the Community Center. Director Thornley expressed his concern regarding the long-term failure of LandCare to maintain the area. The Board discussed whether the work was in or out of scope in the original landscape maintenance agreement. LandCare will use extra crews for catch-up on various neglected areas through March 2019. The Board asked Mr. Angulo to provide a proposal for raising the canopy and taking down anything smaller than 10-years' worth of growth.

The Board then discussed the increased water bill. William Swanks confirmed that LandCare had doubled the water schedule due to the trees experiencing stress from the dry summer.

Director Thornley then expressed his concern regarding stumps from the trees removed from the median. The Board asked Mr. Angulo to provide a proposal to remove the stumps located at Resaca and Sterling Panorama. Mr. Angulo stated that he had removed the stumps during the past month. The Board took **NO FURTHER ACTION** on this item.

Item No. 8

Item No. 8 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. Dennis Lozano updated the Board regarding the PUA's Raw Water Line Project. He noted that the US Fish & Wildlife Service had finally issued its permit for the work. Plans for the construction project are 98% complete. Mr. Lozano stated that the PUA would like to start construction in November. The Board reiterated its desire to review the construction plans and specifications before the PUA bids the project.

Director Thornley provided an update on the PUA Board meetings on behalf of Director Brzoska. He informed the Board of the ongoing efforts with the State Energy Conservation Office. Director Thornley also informed the Board that PUA would for the first time ask new development to pay 100% of the costs to serve that new development through full-price impact fees. He also noted that the PUA Water Plant had established a new peak day demand of 15.9 million gallons of water production. The Board took **NO ACTION** on this item.

Item No. 9

Item No. 9 was to discuss, consider, and take action as necessary regarding the Preserve. Director Thornley noted that the repairs to the existing dock have been made. He is working to obtain bids for pylons for the dock. He also noted that address numbers are required on the dock.

The Board also discussed the rock steps down to the boat dock. Director Burgeson recommended that the Board appoint a subcommittee to develop recommendations for the steps. Director O'Connell made a motion to appoint such a subcommittee. Director Thornley seconded the motion, and it **PASSED** unanimously. The subcommittee consists of Directors Norris, Knuff, and Salgo.

Director Thornley discussed the possibility of October 20th as a Preserve work day for the community. 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 Boundary Fence. Counsel Wilburn noted that he had not heard back from the HOA on the revised agreement. The Board took **NO ACTION** on this item.

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 District's website was live and that the old MUD 5 website redirected users to the new site. 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 adoption of the FY 2019 Budget, including adoption of a Budget Resolution. Operations Manager Wheeler presented the draft budget as proposed by the Board during the August meeting. Director Burgeson made a motion to adopt the District's budget and accompanying Budget Resolution as presented. Director O'Connell seconded the motion, and it **PASSED** unanimously.

Item Nos. 13

Item No. 13 was to discuss, consider, and take action as necessary regarding the adoption of the District tax rates for FY2018-19. Director Salgo had a question regarding whether the District would have three taxing units or two. Counsel Wilburn relayed his conversations with the Comptroller's Office that the District would have two separate taxing units. Director Burgeson made a motion to approve an Order setting the overall tax rate for the MUD3 Taxing Area at \$0.17 per \$100 assessed valuation, with a debt service rate of \$0.00 and an M&O rate of \$0.17 per \$100. Director Burshnick seconded the motion, and it **PASSED** unanimously. Director O'Connell made a motion to approve an Order setting the overall tax rate for the MUD5 Taxing Area at \$0.23 per \$100 assessed valuation, with a debt service rate of \$0.06 and an M&O rate of \$0.17 per \$100. Director Burshnick seconded the motion, and it **PASSED** unanimously.

Item No. 14

Item No. 14 was to discuss election related items as posted on the Supplemental Agenda, including an Order Canceling the Directors' Election for November 6, 2018. Counsel Wilburn noted that the District had received one ballot application from a qualified applicant for each of the five director positions, eliminating the need to conduct the election. Counsel Wilburn presented a draft Order Canceling the Directors' Election for November 6, 2018. Director O'Connell made a motion to approve the Order as presented. Director Burshnick seconded the motion, and the motion **PASSED** unanimously.

Item No. 15

Item No. 15 was to discuss, consider, and take action as necessary regarding the District's amended and restated information for Travis County, including the revised Notices to Purchasers. Director Burgeson made a motion to approve the forms as presented. Director O'Connell seconded the motion, and it **PASSED** unanimously.

Item No. 16

Item No. 16 was to discuss, consider, and take action as necessary regarding the adoption of a Resolution Authorizing Redemption of Certain of the District's Unlimited Tax Refunding Bonds, Series 2010, including Notice of Redemption. Counsel Wilburn presented the documents that the Board must approve to authorize payoff of the old MUD 3 bonds. Director Salgo made a motion approving execution of the necessary documents, including adoption of the resolution as presented. Director Burgeson seconded the motion, and it **PASSED** unanimously.

Executive Session

The Board did not meet in Executive Session.

Item No. 17

Item No. 17 was items for Future Agendas. The Board took **NO ACTION** on this item.

Item No. 18

Item No. 18 was Adjournment. Director Knuff made a motion to adjourn the meeting. Director O'Connell seconded the motion, and it **PASSED** unanimously.

PASSED, APPROVED, AND ADOPTED this 11th day of October 2018.

(DISTRICT SEAL)


Frederick W. Goff, Secretary