

LAKE POINTE MUNICIPAL UTILITY DISTRICT

MINUTES

August 11, 2022, Regular Meeting

The Board of Directors of Lake Pointe Municipal Utility District (“District”) met in person in regular session on August 11, 2022, at 7:00 p.m., in a meeting open to the public. The District posted a copy of the notice of meeting, attached as “Exhibit A.”

President Salgo called the meeting to order at 7:00 p.m. and took the agenda items in the order described below.

Item No. 1 - Call to Order and Establish Quorum.

The following Board Members were present, thus constituting a quorum:

Robert Salgo	President	Present
Penny Handsel	Vice President	Present
Jody Flaws	Secretary/Treasurer	Present
Terry Elam	Director	Present
Jason Rew-Hunter	Director	Present

Also in attendance were William Swanks with TUMCO, Josiah Longbons with Landscape Resources, Jason Bethke with West Travis County Public Utility Agency, John Carlton and Kelli Carlton with The Carlton Law Firm, and members of the public.

Item No. 2 – Receive Public Comment on items not on the Agenda.

No public comment.

Item No. 3 – Receive update from the Lake Pointe Homeowners’ Association.

No update provided.

Item No. 11 - Discuss, consider, and take action as necessary regarding landscape services within the Lake Pointe subdivision.

Josiah Longbons presented a packet for the Board’s review, including a proposal regarding removing a Bradford Pear tree at 3101 Lomita. Mr. Longbons stated the Bradford Pear is near a walkway to the school and is mostly dead. He proposed cutting it to grade for \$750. The Board discussed whether the District was responsible for replacing the tree. Mr. Longbons suggested replacing the tree with a Cedar Elm should the Board opt to replace the tree. The Board discussed the stumps remaining after two

other trees were removed in a nearby area. After additional discussion, Director Salgo moved to approve the proposal to remove the Bradford Pear tree and grind three stumps (the Bradford Pear tree stump and the two others discussed by the Board), with a cost not to exceed \$850. Director Flaws seconded the motion and the motion passed 5-0.

Mr. Longbons reported several irrigation repairs in the past month due to the hardened ground. He explained the repairs: page two of his proposal addressed the irrigation parts in the ground; pages three and four noted the August irrigation repairs that were completed; and pages five through seven discussed areas of concern (Asian jasmine beds, Sonoma turf strip surrounding mailboxes and the proposed Asian Jasmine bed extensions). Director Elam moved to approve and pay the \$750 and \$3,451.95 proposed irrigation repairs. Director Flaws seconded the motion, the motion passed 5-0. Director Elam then moved to approve the \$4,490 proposal for the Sonoma and Napa Park bed extensions. Director Flaws seconded the motion, and the motion passed 5-0. Mr. Longbons mentioned that the District's contract with Landscape Resources ("LRI") will renew at the end of the fiscal year. He noted that the company's costs have increased, and the new contract will therefore reflect a price increase. Mr. Longbons mentioned the irrigation system is aging and suggested the monthly repair fee be increased to \$3,500 (\$928 is the current contract figure), and he also suggested an increase in the preauthorized amount to cover costs of unanticipated irrigation repairs to \$1,500. Mr. Longbons noted a 10% increase in overall contract price is proposed and he will have the proposal before the next board meeting.

Item No. 12 - Discuss, consider, and take action as necessary regarding the ongoing activities of the West Travis County Public Utility Agency ("PUA").

Jason Bethke, the District's PUA representative, introduced himself and discussed his background in water resources and engineering. He noted the wastewater treatment plant to be moved, and also noted that most lawsuits are resolved save one. He said the PUA meets every other month, and he will send a report to the Board after those meetings.

Director Flaws asked if new radio towers were still an option. Mr. Bethke responded that the PUA is studying the issue, as the PUA needs a way to monitor the lift stations, and the PUA is working on an alternative to the radio towers. Mr. Bethke noted there are other options to the radio towers, including line-of-sight, cellular, satellite, and emergency radio bands. He noted that satellite monitoring is very expensive. He stated line-of-sight towers are the default in the industry.

Director Handsel asked about the water supply. Mr. Bethke said that irrigation restrictions will continue as there is a large amount of irrigation in the community but added there is plenty of water to support the community. Without restrictions, there is not enough in storage for the water demand. Unrestricted demand would require two to three times the storage and that would increase rates. Mr. Bethke mentioned the real question would be if the community wanted to spend money to add more storage space to hold additional water.

No action.

Item No. 14 - Discuss, consider, and take action as necessary regarding maintenance of the District's facilities, including the ongoing Stormwater Basin Maintenance Project.

Mr. Swanks reported that the gate that had been hit by a car was replaced but the gate itself was not acceptable. The vendor will rebuild the gate to the condition it was in before it was hit by the car.

Mr. Swanks said that the gate has a new control panel, is operable, but does not have the magnet it had before the accident. Director Salgo asked about the sign and Mr. Swanks said the sign will be installed soon. Director Salgo also asked Mr. Swanks about the control panel, and Mr. Swanks replied that it will be fixed after the gate has been repaired.

No action.

Item No. 15 - Discuss, consider, and take action as necessary regarding the Preserve including roadway access and permit renewal.

Mr. Swanks stated the contractor will begin clearing in Section 1 (Brittany Point) on September 1 and the work will take 20 days to complete. Mr. Swanks said 20-22 days of clearing per year covers approximately one-third to one-half of the Preserve. The contractor will charge \$1,500 a day for the work. Director Elam inquired about brush clearing for the whole area and not just one-third of the area each year. Mr. Swanks mentioned that it had been two years since the clearing was undertaken. Mr. Swanks mentioned the Board could ask LRI to string trim on an ongoing basis since the cleared area does not always need chippers. Mr. Swanks said the contractor is allowed to work from September 1 to March 1 only.

The Board then discussed the proposed boat docks. Jim Norris reported that approval from the City of Austin appears imminent. There was discussion on the amount paid to the contractor and the amount owed. The District and the HOA will need a written agreement for the docks after final approval.

No action.

Item No. 16 - Discuss, consider, and take action as necessary regarding committees or subcommittees of the District's Board of Directors.

Finance Committee - Director Flaws had no update.

Facilities Committee - Director Elam said the committee will cover items including the ponds, wastewater treatment plant, staircase to the pond, steps to the dock, dock wall, and general landscaping.

Preserve Committee – Director Handsel had no update.

Director Elam suggested adding a communications committee to help with community outreach, transparency, and website management. Director Elam moved to create the Communications Committee with Director Flaws as co-chair of the committee. Director Handsel seconded the motion, and the motion passed 5-0.

Item No. 7 - Discuss, consider, and take action as necessary regarding the FY2022 audit engagement letter.

After discussing the audit engagement letter, Director Flaws moved to approve the FY2022 audit engagement letter. Director Handsel seconded the motion, and the motion passed 5-0.

Item No. 6 - Discuss, consider, and take action as necessary regarding the FY2022 budget.

Mr. Swanks provided the amended budget in the packets. Director Salgo discussed a discrepancy between the draft minutes and the budget (Item 7 in the July minutes). Director Salgo noted the irrigation repair line item should be \$32,500 instead of \$27,500. He also mentioned the landscaping line item should be \$60,000. The “engineering special requests” item should be removed. The FY2022 MS4 permit line item should increase from \$2,000 to \$5,000. After discussion, the FY2022 budget totaled \$817,920. Mr. Swanks will provide the amended FY2022 budget in September.

No action.

Item No. 8 - Discuss, consider, and take action regarding the FY2023 Budget and any budget meetings/workshops to be scheduled.

Director Flaws stated he will use the amended FY2022 budget to prepare the FY2023 budget. The Board discussed the individual budget line items at length.

The “Raw Water Line” item is \$15,000 even though the Board noted it is not likely to spend that amount. The “Potable Water” item will be \$5000. The Board will assume there is a 15% increase in “Irrigation Repair” costs and will round the budgeted amount to \$40,000. Item 71201 for “Irrigation Upgrades” will be removed from the budget. Director Flaws mentioned \$5,000 will be added to the ‘Communications’ line item once it is created and discussed the following line items and amounts for the FY2023 budget:

71202 - \$30,000	72041 - \$4,000
71204 - \$200,000	72070 - \$4,000
71205 - \$7,500	72099 - \$1,500
71207 - \$70,000	78000 - \$70,000
71208 - \$5,000	78002 - \$2,000
71210 - \$0	78003 - \$2,000
71212 - \$305,000	78010 - \$0
71214 - \$3,000	78020 - \$10,500
71217 - \$0	78021 - \$1,000
71300 - \$2,000	78023 - \$30,000
72001 - \$60,000	78024 - \$5,000
72010 - \$5,000	78030 - \$14,000
72022 - \$150,000	78040 - \$3,000
72026 - \$12,000	78041 - \$5,000
72031 - \$800	78043 - \$3,000
72032 - \$200	78045 - \$0
72033 - \$0	78046 - \$3,000
72034 - \$0	78100 - \$5000
72035 - \$500	78101 - \$2,000
72038 - \$0	

Mr. Flaws said the proposed FY2023 budget total is \$1,076,000, there is approximately \$2.4 million in reserve, and there is about \$530,000 in debt remaining.

No action. The Board will adopt the FY2023 budget in September.

Item No. 9 - Discuss, consider, and take action regarding the 2022 tax rate, including:

A. Establishing proposed tax rate.

The Board discussed the tax rate calculations and decided upon an operations and maintenance tax rate of \$0.15076 and a debt tax rate of \$0.0450 (regarding MUD 5).

B. Taking record vote and scheduling the public hearing.

President Salgo moved to set the proposed tax rates as noted above. Director Handsel seconded. The record vote was: President Salgo – aye; Director Handsel – aye; Director Elam – aye; Director Flaws – aye; and Director Rew-Hunter - aye. The motion carried 5-0.

President Salgo moved to schedule the public hearing for September 8th at 7 pm, Director Handsel seconded the motion, the motion passed 5-0.

C. Authorizing publication of “Notice of Public Hearing on Tax Rate” in Austin American Statesman or other newspaper.

President Salgo moved to authorize publication of the Notice of Public Hearing in the Austin American Statesman or other newspaper. Director Handsel seconded the motion, and the motion passed 5-0.

D. Acknowledging and approving posting of “Notice of Public Hearing on Tax Rate” to homepage of the District website.

President Salgo moved to approve posting the Notice of Public Hearing on Tax Rate to the website. Director Handsel seconded the motion, the motion passed 5-0.

Item No. 5 - Discuss, consider, and take action as necessary regarding the District’s financial reports and payment of the District’s bills and invoices.

Mr. Swanks presented the invoice list as provided in the packet, plus invoices from Aqua Permits for \$15,000 and Hilltop Securities for \$1,500. Director Elam asked about the Aqua Permit invoice and Mr. Swanks said the total contract with Aqua Permits was for \$30,000. Director Salgo asked about the K & K welding invoice and Mr. Swanks said it was to repair the duck pond gate. Director Salgo moved to approve the invoices as presented, including the two additional invoices noted above. Director Flaws seconded and the motion passed 5-0.

Item No. 4 - Review and approve minutes of the July 14, 2022, regular meeting minutes.

The Board discussed revisions to the July 14 meeting minutes and Director Flaws moved to approve the minutes as amended. Director Rew-Hunter seconded the motion, and the motion passed 5-0.

Item No. 10 – Discuss, consider, and take action as necessary regarding the District’s five year strategic plan.

This item was tabled.

**Item No. 20 - Discuss, consider, and take action regarding any Public Information Act Request.
Item No. 21 - Receive report from the District’s legal counsel regarding pending litigation, if any.**

At 11:02 p.m. Director Salgo called the Board into executive session on Items 20 and 21 for the purpose of receiving legal advice pursuant to Section 551.071 of the Texas Government Code. The Board reconvened in open session at 11:20 p.m. No action was taken in executive session.

No action on either item.

Item No. 12 - Discuss, consider, and take action as necessary regarding the Boundary (Resaca) Fence project within the Lake Pointe Subdivisions, including contract issues with Johnson Services.

No action.

Item No. 22 - Discuss, consider, and take action as necessary regarding District’s legal representation.

John Carlton and Kelli Carlton discussed The Carlton Law Firm’s representation of the District with the Board.

No action.

Item No. 18 - Discuss, consider, and take action as necessary regarding the District’s website.

Director Flaws said he will add the seats/places for each Director to the District’s website. Director Elam is working on a constant contact communication tool for the website.

No action.

Item No. 19 - Discuss, consider, and take action as necessary regarding streaming the Board meetings via YouTube or other services.

Director Elam requested the District contract with an IT consultant to help with the District’s technology and any technology issues that may arise.

No action.


Item No. 23 - Items for future agendas.

The Board will add the Communications Committee to the next agenda. It will also add an item on how to manage the Google emails, and an item to address water storage issues with the PUA.

Director Flaws moved to adjourn. Director Elam seconded the motion. The motion **PASSED** unanimously. The meeting adjourned at 11:47 p.m.

ADOPTED this 8th day of September, 2022.





Jody Flaws, Secretary/Treasurer