

**LAKE POINTE MUNICIPAL UTILITY DISTRICT
MINUTES
June 8, 2023**

The Board of Directors (“Board”) of Lake Pointe Municipal Utility District (“District”) met in person for a regular meeting on June 8, 2023, at 6:00 p.m., open to the public. The District posted a copy of the Notice of the meeting as required.

Vice President Rew-Hunter called the meeting to order at 6:02 p.m.

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

Terry Elam	President	Absent
Jason Rew-Hunter	Vice President	Present
Jody Flaws	Secretary/Treasurer	Present
Scott Mincey	Director	Present
David Lewis	Director	Present

Also in attendance were William Swanks with TUMCO, Josiah Longbons and Blake Foree with Landscape Resources, Inc. (“LRI”), Douglas Mains with Elite Computing, Pat Sinnott with Lake Pointe Homeowners’ Association, Kelli Carlton with The Carlton Law Firm, and members of the public.

PUBLIC COMMENT

- 1. Receive communications from the public on items not listed on the posted agenda.** John Doherty, who lives adjacent to District property, inquired about dead tree limb removal between his property and the District’s property. Mr. Doherty asked permission to remove the limbs or have the District’s website updated to reflect any limitation on tree trimming.
- 2. Public Comment on Agenda Items.** None.

MINUTES

- 3. Review and approve minutes of the May 11, 2023, regular meeting.** Director Flaws had two minor corrections to the draft minutes. Director Rew-Hunter moved to approve the May 11 minutes as amended. Director Lewis seconded the motion. The motion carried 4-0.

REPORTS AND COMMITTEE MATTERS

- 4. Receive report from committees and provider representatives and discuss and consider reports, committees, committee structure and assignments, committee responsibilities, any proposals presented by the committees or providers, and any related action, including:**

A. Facilities Committee

- 1) Landscape maintenance report, including proposals for additional services**

and project updates. There were no new proposals to present to the Board. Josiah Longbons reported that LRI created a map with a tree assessment. The assessment included LRI's recommendation on the District's trees. LRI's assessment noted trees on a decline of 50 percent or greater. Mr. Longbons discussed the impact of the freeze on the District's trees. Mr. Longbons added that the Napa and Bayton entrance work approved at the last meeting was completed. Director Lewis asked for before and after pictures of the work. Mr. Longbons will send pictures to the Facilities Committee.

- 2) **General maintenance.** None.
- 3) **Ongoing Stormwater Basin Maintenance Project.** Mr. Swanks reported DigDug will clean out Napa Pond in the week after the June meeting. Mr. Swanks stated the Carlsbad Pond Cattails were sprayed in May. Director Rew-Hunter stated a resident asked about putting feeder fish into the ponds. Mr. Swanks said the District has stocked the ponds with fish in the past. He will ask Aquatic Features about stocking the ponds with fish.
- 4) **Kayak storage.** No report. Director Mincey intends to have a written storage plan by 2024.
- 5) **Landscape services contract, should changes be necessary.** No action.
- 6) **District's construction deposit rules.** A Director had a question regarding the District's construction deposit rules. Kelli Carlton offered to discuss her advice on the rules in executive session. Action taken after executive session as noted below.

B. Outreach Committee

- 1) **Collaboration with the West Travis County Public Utility Agency ("WTCPUA") on water, water transmission, water storage, and related issues, including:** Director Rew-Hunter reported the WTCPUA eminent domain bill passed. Director Rew-Hunter stated he went to Texas State Representative Ellen Troxclair's office and met with her Chief of Staff and the lobbyist for WTCPUA and had a discussion regarding the eminent domain bill during the legislative session. Director Lewis stated he and President Elam also reached out to State Senators regarding the issue. Director Flaws stated the District will need to maintain more open communication with the WTCPUA either through Jason Bethke and/or Jennifer Riechers. No action.
 - a. **Receive update from WTCPUA representative.** No report.
 - b. **Appointing a new WTCPUA representative.** Director Flaws is concerned about the lack of communication from Jason Bethke and requested information regarding replacing and removing Mr. Bethke as the WTCPUA representative for the District. No action.
- 2) **Collaboration with the Lake Pointe Homeowners' Association ("LPHOA"), including:**

- a. **Receive update from LPHOA representative.** Pat Sinnott reported the next LPHOA meeting was scheduled for June 19, 2023, and the last LPHOA meeting was June 1, 2023.
- b. **Resaca and Sonoma Boundary Fence Project.** Ms. Sinnott reported LPHOA received two bids for the Resaca fence and is waiting for a third bid. Ms. Sinnott further reported: the LPHOA is in the process of changing banks; the swim team season ends one week after the District's June meeting; the LPHOA annual meeting is in September and the LPHOA board will have positions up for election. No action.
- c. **Lake Pointe Boat Docks Project.** Ms. Sinnott noted the LPHOA is not involved with the boat docks project. The Board will move this item to a different location on future agendas.

Director Flaws stated the clock is ticking for the Board to do something with the boat and swim docks. Director Flaws noted the permit expires in the summer of 2024 and he does not want to let the permit expire without moving forward with at least the swim dock. Director Lewis stated the design plans for the dock are on the District's website. Mr. Swanks has been approached by a contractor asking to bid the project. Director Lewis moved to form a committee on construction of the recreational dock. Director Rew-Hunter seconded the motion. The motion carried 4-0.

Director Rew-Hunter moved to nominate Director Lewis and Director Flaws to be members of the Recreational Dock Committee. Director Mincey seconded the motion. The motion carried 4-0. Mr. Swanks will follow up on the permit question on the design plan.

- d. **Collectors' Corners.** Ms. Sinnott noted that President Elam oversees this item. No action.
- e. **Storm Remediation.** Ms. Sinnott reported the storm remediation is complete. Mr. Swanks stated he is waiting for the last invoice to be paid by LPHOA. No action.

3) Collaboration with other governments and private entities on issues affecting the District. No report.

C. Finance and Audit Committee

- 1) **Budget amendments, if any.** Director Flaws reviewed the budget information provided for the meeting and noted an additional \$1,000 should come from item #71212 Subdivision Improvements and move to item #71300. He asked Mr. Swanks to revise the budget accordingly. Mr. Swanks will review the minutes for budget amendment details and revise.

Director Flaws reported the overall budget is \$1,076,000. The District is well

under budget, spending only \$438,000 year-to-date. The Board discussed upcoming projects. Director Mincey stated he will be adding an additional \$44,000 to the bills for LRI's work. Director Flaws will meet with Mr. Swanks to discuss the interest income records of the District and create a revenue budget. Mr. Swanks stated the interest rolls back into the investments. Director Flaws expects approximately \$100,000 in interest this fiscal year. No action.

- 2) **Action regarding obtaining or renewing Directors' bonds.** Ms. Carlton reported she does not have completed applications from the Directors and worked with the Directors to complete the required forms.
- 3) **Potential new service providers for banking, investing, and accounting.** Director Flaws and Director Lewis spoke with PNC Bank regarding interest and bank fees. PNC Bank will not waive fees, so he and Director Lewis will speak with Frost Bank on June 9, 2023, and reach out to other banks. Director Flaws spoke with UBS and is setting up account access with that bank. Director Flaws created online access for paying the seven WTCPUA and the two City of Austin accounts and suggested setting up autopay for those accounts through PNC to avoid writing nine checks and receiving late fees. Director Flaws reported the District is still using UBS and is looking at other service providers. Director Flaws stated Mr. Swanks is doing a great job of rolling out the investments as soon as they mature because the interest rates are high, but suggests the Board be more strategic on the District's investing. Mr. Swanks spoke regarding a conflict of interest with banks used personally by board members. Ms. Carlton will research the Investment Act on this issue and advise the Board. No action.
- 4) **District's five-year strategic plan.** Board discussion on capital projects for the future. No action.
- 5) **Approve the District's financial reports and payment of the District's bills, invoices and Directors' fees.** Director Flaws presented the investment schedule as updated by Mr. Swanks. Director Flaws moved to approve the investment schedule. Director Lewis seconded the motion. The motion carried 4-0.

Director Flaws moved to approve payment for invoices in the agenda packet to include the Director's fees, a total of \$67,809.21. Director Rew-Hunter seconded the motion. The motion carried 4-0.

Mr. Swanks stated the LRI's invoices on the proposals that were approved last month totaling \$44,510 were received late and were not included in the meeting packet. LRI invoices were tabled until the July meeting.

- 6) **Discuss and consider adoption of the tax and budget planning calendar for 2023, authorize the payment of tax season publications, and take any related action.** Director Flaws stated the Board will need to discuss the first steps for setting the District's tax rate for 2024 and reminded the Board that if the Board increases the tax revenue by more than 3.5 percent the District will need to have an election. Director Flaws stated the District received the preliminary appraisals

from Travis County and the total property value in the District went up over five percent, meaning the District will have to decrease rates to stay at the 3.5 percent allowable increase or below. Director Flaws stated the Board will need to decide how much revenue the District will need for next year in July. Director Flaws stated that MUD5 has collected all the tax to pay the bond debt off and the residents in MUD5 would then see their property tax drop an average of \$300 per home. Ms. Carlton explained the District can set a rate that is lower than the 3.5 percent but not higher than allowed. Discussion followed regarding tax rates and tax planning calendar. Director Rew-Hunter moved to adopt the budget and tax planning calendar with the understanding that the Board can alter meeting dates. Director Lewis seconded the motion. The motion carried 4-0.

- 7) **Schedule and conduct budget meetings/workshops.** Director Flaws stated the Board will not schedule any budget meetings or workshops until the July 13 meeting.

D. Preserve Committee

- 1) **Habitat Conservation Plan.** Director Rew-Hunter will discuss with Ms. Carlton the District's allowable actions in the Preserve. Director Rew-Hunter mentioned a request from a local Boy Scout troop to view the Warblers in the Preserve. Director Rew-Hunter asked Director Mincey to investigate allowing the Boy Scout troop to work in the Preserve with a professional biologist assuming that would not run afoul of Preserve restrictions.
- 2) **Issues affecting the Preserve.** Director Rew-Hunter addressed Mr. Doherty's concerns with the Preserve and the removal of "ladder fuel" for fires. Mr. Swanks explained that ladder fuel is anything touching the ground, including a hanging limb that is touching the ground, where ground fire can reach up and spread to the tree canopy. Mr. Swanks stated dead trees in the Preserve are not cut down and are only removed if there is a hazard. There is no tree pruning allowed in the Preserve. Director Rew-Hunter requested a cohesive rubric for removing trees in the fire break because there have been many questions by homeowners and also some confusion. Mr. Swanks stated that trees over 3" in diameter are not cut in the fire breaks but the invasive species and waxy plants are considered ladder fuel and are removed in the fire breaks. Mr. Doherty requested that homeowners be allowed to hire a contractor approved by the District to clear in fire break. Director Flaws asked to add clarification on the 10-foot fire break. Mr. Swanks will draft the basic fire break standards for the Preserve Committee to review. No action.
- 3) **Roadway access and permit renewal.** No report.
- 4) **Friends of the Preserve.** Discussion regarding listing email addresses of the subcommittee and the co-chair on the District's website. Director Rew-Hunter will reach out to Penny Handsel for membership information. Ms. Carlton advised the Board to avoid adding individual emails on the public website because of scams and spam and that an email alias for the distribution is safer. No action.

E. Communication Committee

- 1) **District's digital account updates, if necessary.** No report.
- 2) **District's website, IT issues, and ongoing requests.** Director Flaws reported the District continues to migrate more information to the website and discussed taking resident comments through the website. Director Flaws stated the District should both update the website regarding work in the fire break and update Mr. Swank's email address on the website. Doug Mains sent Directors an invitation to the transcription service used for the meeting. No action.
- 3) **District's historical records and records management.** Mr. Swanks discussed scanning historical records. No action.

F. Procurement Committee

- 1) **Request for Qualifications for a landscape architect.** Director Rew-Hunter will send the Request for Qualifications ("RFQ") to Mr. Swanks and Mr. Swanks will disseminate the RFQ to landscape architects.
5. **Receive General Counsel report, including, but not limited to, tax matters, pending contract issues, open records requests, litigation, reporting requirements, and other legal issues, if any, and take action as needed.** Ms. Carlton participated in the items above as noted. No additional report.

The Board went into executive session at 8:36 p.m. for the purpose of consulting with the District's attorney under section 551.071 of the Texas Government Code and more specifically, the Board will discuss Agenda Items: 4A(6) and 4B(1)(b). The Board closed the executive session at 9:26 p.m. No action was taken during executive session.

The Board then returned to **Item 4(A)(6) District's construction deposit rules.** Director Mincey moved for Ms. Carlton to redraft the rules on construction deposits. Director Rew-Hunter seconded the motion. The motion carried 4-0.

6. **Discuss and consider items for future agendas.** There will be additional agenda items for: the new committee; adding an investment officer; paying off the bond debt early; and the fire break.
7. **Adjourn.** Director Flaws moved to adjourn the meeting. Director Lewis seconded the motion. The motion carried 4-0. The meeting adjourned at 9:28 p.m.

APPROVED this the 31 day of July, 2023.





Jody Flaws, Secretary/Treasurer