



BOARD OF DIRECTORS MEETING
LOST CREEK LIMITED DISTRICT

July 26, 2017

SIGN IN SHEET

	NAME (Please Print)	ADDRESS (optional)	TELEPHONE (optional)
1	Sandy Whitmer	14017 Saddlers Cove	512.330.4045
2	hathly Stadel	1513 Wilson Hts Dr	512-329 9464
3	Melissa Bitner	6525 Whitmarsh	773-590-3459
4	Carla Payne	1313 Thaddeus Cv	
5	Natal Hansen		
6	DIANE FULTON		
7	CLARIE SMITH	6820 Cypress Pt N #20	512 657-3981
8	Mase Stephanson		
9	Megan Mans	1213 QR	
#	Bobbie Szalay		
#	KIM Dwyer		
#	Crystal Allen		
#	Darlene Hartzel		
#	Wilson Shiden		
#	Stephanie Reynolds		
#	DIXIE BOOKS	5401 Doran Business Center	512-478-2530
#	Michelle Castiguit	6103 Sutherly Hills	
#	Jim Castiguit	4	
#	BRAYNOR SPORN	2000 KENNESAW AVE	512.413.0799
#	Gaite Campbell	1607 Bayhill Dr	512 589-2972



BOARD OF DIRECTORS MEETING
LOST CREEK LIMITED DISTRICT

July 26, 2017

SPEAKER SIGN IN SHEET

	NAME (Please Print)	ADDRESS	TELEPHONE / EMAIL / CONTACT INFORMATION
1	Gina H. Hitt		
2	Gavin H. McClellan		
3	Marc Stephenson		
4			
5			
6	Sandy Whitney		
7	Pamela Szalay		
8	Caitlyne		
9			
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20	Kathy Slade	1513 Wilson Hts Dr	512-327-9464

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS

LOST CREEK LIMITED DISTRICT
Travis County, Texas

July 26, 2017

The Board of Directors of Lost Creek Limited District of Travis County, Texas, convened in a regular meeting at the Lost Creek Limited District administrative office located at 1305 Quaker Ridge Drive, Austin, Travis County, Texas, on Wednesday, July 26, 2017. Lawful and proper notice of the time, place and the subject of the meeting was posted at the place and time required by law.

Directors: Leah Stewart
Eric Castro
Chuck McCormick
Andy Bitner
Madeleine Connor

District Attorney: Tony Corbett

Bookkeeper/Manager/Deed
Restriction Enforcement Officer: Jim Emmons (Pinnacle Texas Management Services)

Residents and guests: See Attached Sign-in Sheet

1. Board Convenes, and Roll Call (Agenda Item 1)

Director McCormick called the meeting to order at 6:33 p.m. All directors were present, thus constituting a quorum.

2. Citizen Communications (Agenda Item 2)

A resident spoke in favor of the landscape beautification undertaken by the District, and in appreciation of the expenditures by the District for park and landscape beautification projects. She also expressed appreciation for the District's efforts in connection with trying to control traffic at the low water crossing.

Another resident generally requested that the Board endeavor to focus on matters of District business at its meetings. He requested that the Board improve the Administrative Office Building for the benefit of the community, and suggested the Board contact the LCNA to determine if they may participate financially.

A resident expressed appreciation for the Board's expenditures and prior tax rate reductions. She expressed concern about the pending litigation against District officials.

A resident requested that the District follow the law, particularly as to the Open Meetings Act. She then presented comments (both positive and negative) regarding the District's General Manager, attorney, current directors and prior directors.

The next speaker spoke in favor of the Board's actions with respect to the pending litigation.

3. Pending Litigation (Agenda Items 5(a)-(c))

Scott Tschihart, special litigation counsel for the District, provided an update to the Board and members of the public regarding the status of pending litigation against certain former and current members of the Board of Directors.

Director McCormick then asked litigation counsel to answer questions regarding the litigation. Director Connor and members of the public then asked multiple questions of litigation counsel. Individual directors spoke to the public and to each other regarding the status of the litigation, prior court rulings, the merits of the underlying claims and prior settlement offers.

The Board then considered engagement of Denton Navarro Rocha Bernal Hyde & Zech, P.C. in connection with the pending litigation to the extent any claims in the pending litigation are not covered by the District's Texas Municipal League's risk pool coverage. Director Connor stated that she believed approval of the engagement would be unlawful and that taxpayer money should not be used to fund litigation defense costs arising out of the conduct of individual directors. After discussion, Director Castro moved that the Board approve the engagement. Director Stewart seconded the motion. The Board engaged in discussion during which Director Castro called the question for a vote. The motion carried 4-1, with Director Connor voting against the motion.

4. Announcements (Agenda Item 3)

Mr. Emmons announced handouts.

5. Consent Agenda (Agenda Item 4)

Director Castro moved that the Board approve the Consent Agenda. Director Bitner seconded the motion, which carried 4-0-1, with Director Connor abstaining.

6. Deed Restriction Enforcement (Agenda Item No. 6)

Mr. Emmons presented his monthly deed restriction enforcement officer report. The Board took no action in response thereto.

The Board then considered an order delegating limited deed restriction enforcement authority to the General Manager, including authorizing the District's litigation counsel to send a "cease and desist" letter to property owners who engaged in unlawful construction activities. Director Castro moved that the Board adopt Order No. 17-0726-01. Director Stewart generally stated that placing the property owner on notice before construction proceeds may save the District and property owner legal fees that would otherwise be spent if construction continues prior to the next meeting of the Board of Directors. Director Connor announced that the order would delegate too much authority to an unelected bureaucrat. Director Stewart seconded the motion. After further discussion, Director Castro called the question. The Board approved the motion 4-1, with Director Connor voting against the motion.

The Board then discussed coordination of deed restriction enforcement procedures with the LCNA's Architectural Control Committee. Director McCormick requested an update by the LCNA. A representative of the LCNA stated that they were continuing to work on the matter. Director Connor asserted that it was a violation of the Open Meetings Act to allow to a representative of the LCNA to speak to the Board regarding the agenda item. No action was taken by the Board regarding this matter.

7. **Agenda Preparation and Board Packet Procedures (Agenda Item 7(a))**

After a statement by Mr. Corbett, the Board discussed the timeframe for agenda preparation, review and comment by directors. The Board directed the General Manager to endeavor to circulate draft agendas a week before a meeting for review and comment by directors so that a revised draft may also be circulated to Board members before the meeting. The Board also directed the General Manager to upload meeting public backup material to the District Website even if it is received after the date Board packets are distributed and uploaded to the website.

8. **Financial Affairs and Budget Matters (Agenda Item 7(b))**

Director Bitner provided a report regarding the District's July 2017 financials, particularly regarding year to date expenditures.

Director Stewart requested that the Board's next meeting agenda include an item for amendment of the current fiscal year budget.

9. **2017-2018 Fiscal Year Budget and 2017 Tax Rate Adoption Matters (Agenda Item 7(c))**

The Board scheduled a workshop for August 9, 2017 at 6:30 p.m. to discuss Fiscal Year 2018 budget matters. The Board directed that the agenda allow for limited citizen participation regarding the discussion of budget expenditures. Director Connor expressed concerns regarding the expenditure of District funds on specific projects, including litigation and sidewalks.

10. **Termination of Interlocal Contract with Travis County (Agenda Item 7(d))**

Mr. Corbett reported that Travis County sent an agreement providing for termination of the interlocal agreement between Lost Creek MUD and Travis County. After discussion, Director

Connor moved that the Board approve the agreement prepared by Judge Eckhart. The motion was not seconded.

11. Communications With Residents (Agenda Item 7(e))

The Board discussed a draft newsletter prepared by the General Manager. After discussion, Director Stewart moved that she be authorized to work with the General Manager to revise and finalize the newsletter. Director Connor moved that the motion be amended to include an article regarding use of taxpayer monies on litigation and the General Manager's deed restriction enforcement authority. Director Stewart did not accept the amendment. Director Bitner asked if she would accept an amendment to include an article stating that all minutes are available on the District's website. She agreed. Director Castro then seconded the original motion, as amended, which carried 4-1, with Director Connor voting against the motion.

Director Stewart suggested that the Board consider a litigation update newsletter at the budget workshop. The Board instead concurred that the matter be considered at its next regular meeting.

12. Accessibility Modifications to District Office Building (Agenda Item 7(f))

Mr. Emmons reported that the District had received two bids from contractors for accessibility improvements to the District bathrooms in the office building.

The Board requested that all bids be included in the packet for the budget workshop meeting, and that the agenda allow for action by the Board with respect to award of a contract for the improvements.

13. Boulder Trail Restroom Improvements (Agenda Item 7(g))

Mr. Emmons provided a brief status report regarding the potential restroom project. There was no discussion or action by the Board.

14. Security Patrols (Agenda Item 7(h))

The Board discussed a proposed schedule for off-duty security patrols in the greenbelt. The Board directed the General Manager to not schedule patrols between August 18-20, and between September 2-4, 2017.

15. District Safety and Security Issues (Agenda Item 6(i))

Director McCormick summarized his recent discussions with Austin Police Department personnel regarding criminal activities in the District. He noted that the District would receive a greater police presence if residents would make formal reports to the City. The Board generally discussed safety matters, but took no action.

16. Parking and Safety Matters at the Low Water Crossing (Agenda Item 6(i))

Director McCormick stated that the Lost Creek Civic Association would have a meeting on August 3, 2017 at which representatives of the City of Austin would be present to discuss parking matters.

17. **Potential Sale and Development of the Marshall Tract (Agenda Item 6(k))**

This matter was tabled.

18. **Potential Construction of Dog Park (Agenda Item 7(l))**

Director Connor suggested that the District purchase certain undeveloped land near Boulder Trail Park or from the Marshall Tract for development of a dog park. She stated that the District should continue efforts to develop a dog park. She asked for feedback from the other Board members. The Board asked that the matter be included on future meeting agendas.

19. **Open Meetings Act Compliance Matters (Agenda Item 7(m))**

Director Connor announced the following alleged violations of the Open Meetings Act: (i) that the General Manager forwarded an email from an individual director to other directors and that doing so is a walking quorum in violation of the Open Meetings Act; (ii) that including non-directors in executive session was a violation of the Open Meetings Act; and (iii) that Director McCormick responded to all directors in response to an email from the District's legal counsel in violation of the Open Meetings Act. Director McCormick stated that his reply was inadvertent. Director Stewart read the email in question, and stated that without any discussion or deliberation, a communication of information from a director to other Board members is not a violation of the Act. After further discussion, Director Stewart moved that the Board take no action with respect to the allegations raised by Director Connor. Director Castro seconded the motion, which carried 4-1, with Director Connor voting against the motion.

20. **General Manager's Report (Agenda Item 8)**

Mr. Emmons said he had no information to report.

21. **Meeting Dates (Agenda Item 9)**

The Board scheduled its September meeting for September 13, 2017.

22. **Adjournment (Agenda Item 10)**

Upon a motion by Director Stewart, the Board adjourned the meeting at 9:55 p.m.



Secretary