

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS

LOST CREEK LIMITED DISTRICT
Travis County, Texas

September 13, 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, September 13, 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 (General Counsel)
Scott Tschirhart (Special Litigation Counsel)

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 6:31 p.m. All directors were present, thus constituting a quorum.

2. Citizen Communications (Agenda Item 2)

A resident expressed comments regarding the draft meeting minutes from the Board's August meeting. She also provided comments regarding the District's proposed tax rate.

3. Announcements (Agenda Item 3)

Mr. Emmons described handouts.

4. Consent Agenda (Agenda Item 4)

The Board removed the draft minutes from the Consent Agenda for discussion. After discussion, Director Castro moved that the Board approve the Consent Agenda subject to revision of the prior meeting minutes to correct the name of the Lost Creek Civic Organization, correction of the spelling of the name of the City of Austin Parks and Recreation Department representative, and deletion of the last sentence of the first paragraph under Item 11. Director Stewart seconded the motion, carried unanimously.

5. **Use of Boulder Trail Park by Dad's Club (Agenda Item 5)**

Representatives of the Dad's Club addressed the Board and requested authorization to utilize Boulder Trail Park for its annual chili cook-off fundraiser event. After discussion, Director Stewart moved that the Board approve the request. Director Castro seconded the motion, which carried unanimously.

6. **Deed Restriction Enforcement (Agenda Item 6)**

Mr. Emmons presented his monthly deed restriction enforcement officer report regarding potential deed restriction violations. Director McCormick provided a status update regarding Lost Creek Neighborhood Association deed restriction coordination and planning efforts. The Board took no action regarding either matter.

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

Director Bitner provided a report regarding the District's September 2017 financials.

8. **Adoption of Resolution Amending FY2017 Fiscal Year Budget (Agenda Item 7(b)(i))**

Director Stewart moved that the Board adopt a Resolution approving an amended fiscal year budget for the 2017 Fiscal Year. Director Bitner seconded the motion. The motion carried 4-1, with Director Connor voting against the motion. A copy of the Resolution and amended budget approved by the Board are attached to these meeting minutes.

9. **Public Hearing Regarding Adoption of Tax Rate for 2017 Tax Year (Agenda Item 7(b)(ii))**

At 6:56 p.m., Director McCormick convened a public hearing regarding the adoption of a tax rate for the 2017 tax year. Initially, there was no public comment. Director Stewart stated that she would propose the Board lowering the tax rate to ensure the District does not increase its annual tax revenue collections relative to the prior year. The Board subsequently received public comment and closed the public hearing at 7:20 p.m.

10. **Adoption of Resolution Approving FY 2018 Budget (Agenda Item 7(b)(iii)).**

The Board addressed discussed adoption of a Budget for the 2018 Fiscal Year. The Board noted that lowering the tax rate from \$0.0495 to \$0.0489 per \$100 assessed valuation, in accordance with Director Stewart's comment, would lower the District's annual projected revenues by approximately \$6,000.

After discussion, Director Stewart moved that the Board adopt a resolution approving the Fiscal Year 2018 Budget as presented, subject to the following revisions: (i) revising the revenues to reflect a tax rate of \$0.0489 per \$100 assessed valuation; (ii) reduction of the legal fee budget line item from \$48,000 to \$45,000; and (iii) reduction of the Operation and Maintenance Reserve line item from \$25,000 to \$22,000. Director Castro seconded the motion. The motion carried 4-1, with Director Connor voting against the motion. A copy of the Resolution and the 2018 Fiscal Year Budget approved by the Board is attached to these meeting minutes.

11. **Adoption of Order Levying Maintenance Tax for Tax Year 2017 (Agenda Item 7(b)(iv))**

Director Bitner moved to adopt an Order levying a final maintenance tax rate for Tax Year 2017 of \$0.0489 per \$100 assessed valuation. Director Stewart seconded the motion. The motion carried 4-1, with Director Connor voting against the motion.

12. **Approve Amendment to District Notice to Purchaser Form (Agenda Item 7(b)(v))**

Director Castro moved that the Board approve an amendment to the District Information Form (including the Notice to Purchase Form) to reflect the approved tax rate. Director Bitner seconded the motion, which carried 4-1, with Director Connor voting against the motion.

13. **Adoption Resolution Relating to Annual Review of Investment Policy and Investment Strategies (Agenda Item 7(c))**

Mr. Corbett provided a brief overview of revisions incorporated into the District's Investment Policy in response to legislation passed during the 2017 legislative session. After discussion, Director Stewart moved that the Board adopt an Order approving the updated Investment Policy and investment strategies. Director Bitner seconded the motion, which carried 4-0-1, with Director Connor abstaining.

14. **Communications With Residents (Agenda Item 7(d))**

The Board unanimously directed the General Manager to send an electronic mail communication to residents regarding City of Austin solid waste collection and recycling services.

15. **Upgrades to Restroom Facilities at Boulder Trail Park (Agenda Item 7(e))**

Mr. Emmons presented alternative portable restroom facilities for possible installation at Boulder Trail Park. After discussion, the Board unanimously directed the General Manager to add hand sanitizer equipment to the existing portable restroom facility.

16. **Off-duty Security Patrols (Agenda Item 7(f))**

The Board discussed the schedule for security patrols. The Board provided feedback to the General Manager.

17. District Safety and Security Issues (Agenda Item 7(g))

Director McCormick provided a brief update regarding his discussions with City of Austin Police Department personnel regarding District safety and security issues.

18. Parking and Safety Matters (Agenda Item 7(h))

The Board briefly discussed the status of parking at the low water Crossing area on Lost Creek Boulevard. No action was taken.

19. Potential Sale and Development of Marshall Tract (Agenda Item 7(i))

A representative of the Lost Creek Neighborhood Association provided a brief status update regarding her understanding of the status of purchase and development of the Marshall Tract.

20. Potential Construction of Dog Park (Agenda Item 7(j))

Director Connor reported she had no information to discuss regarding potential construction of a dog park. The Board requested that the matter be removed as a standing agenda item until she had information to present.

21. Engagement of Special Litigation Counsel (Agenda Item 7(k)(i))

The Board considered the engagement of Denton Navarro Rocha Bernal & Zech, P.C. In response to questions raised by Director Connor, it was noted that the purpose of the engagement was to ensure legal representation for any claims not covered by Texas Municipal League including in connection with the new litigation filed by Director Connor against three directors who approved a litigation update newsletter to District residents at the Board's prior meeting. Mr. Corbett noted that TML had not yet made a coverage determination in connection with the new litigation. After discussion, Director Stewart moved that the Board approve the engagement of Denton Navarro Rocha Bernal & Zech, P.C. Director Castro seconded the motion, which carried 4-0-1, with Director Connor abstaining.

22. General Manager's Report (Agenda Item 8)

Mr. Emmons presented his monthly General Manager report. Among other matters, he provided an update regarding the installation of security cameras, recent landscaping improvements, the status of contract negotiations with the bathroom contractor. He also noted that there was a City of Austin gas leak that was repaired adjacent to the administrative office building. He reported that a sewer line repair had been completed. The Board took no action regarding the report.

23. Meeting Dates (Agenda Item 9)

The Board scheduled its November meeting for November 15, 2017.

Executive Session: At 8:13 p.m., Director McCormick announced that the Board would go into Executive Session pursuant to the applicable section of the Texas Open Meetings Act in order to discuss

pending litigation and to seek advice of legal counsel regarding Agenda Item 7(k) and Agenda Item 7(k)(ii).

[Editor's Note: Director Bitner did not participate in the first part of the executive session discussion relating to the litigation proceedings referenced under Agenda Item 7(k). He subsequently joined the executive session with respect to Agenda Item 7(k)(ii).]

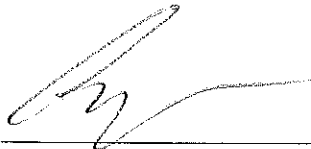
At 9:38 p.m., Director McCormick reconvened the public meeting with all directors present. He announced that no final decisions, votes or actions were taken in Executive Session.

24. Communications with Lost Creek Residents Regarding Litigation (Agenda Item 7(k)(ii))

Director Stewart stated that she believed the Board of Directors should provide a litigation update to residents. She moved that the Board approve the updated litigation communication presented to each Board member after Executive Session. Director Castro seconded the motion. Director Connor stated that the communication contains false statements, is slanderous, misleading, and reflects an intent to retaliate. She also asserted that the defendants' litigation counsel "tricked" a judge. After the discussion, the motion carried 4-1, with Director Connor voting against the motion.

25. Adjournment (Agenda Item 10)

Upon a motion by Director Stewart, the Board adjourned the meeting at 9:45 p.m.



Secretary



BOARD OF DIRECTORS MEETING
LOST CREEK LIMITED DISTRICT

September 13, 2017

SIGN IN SHEET

| NAME (Please Print) | ADDRESS (optional) | TELEPHONE (optional) |
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| 1 Carla DeGree | | |
| 2 Nancy Brown | | |
| 3 Barbara Szalony | | |
| 4 Darlene Hartzel | | |
| 5 Nancy Lux | | |
| 6 Rickie Jackson | | |
| 7 Jimmie Jackson | | |
| 8 Debra Allison | | |
| 9 Lee Bergsle | | |
| # Bob Entfield | | |
| # Renee Entfield | | |
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BOARD OF DIRECTORS MEETING
LOST CREEK LIMITED DISTRICT

9/13//2017

SPEAKER SIGN IN SHEET

| | NAME (Please Print) | ADDRESS | TELEPHONE / EMAIL / CONTACT INFORMATION |
|----|------------------------|---------|---|
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