

or out of the District's Capital Projects Account. Director Golde suggested that the Board may wish to eliminate certain budget categories when adopting a budget for the 2019-2020 fiscal year.

Next, Director Clifford requested clarification of certain time entries from the legal services invoice presented by Ms. Albright's firm. Ms. Albright noted that the time entry associated with the preparation of a Board resolution in support for the HOA's position of the various lighting options to illuminate the Amenity Center lot was associated with the Board's willingness to continue to work with the HOA to support lighting that is consistent with the HOA's Architectural Control Committee guidelines.

Next, Director Ubertini reviewed a summary of expenditures presented by the HOA for reimbursement by the District under the District's Joint Use and Maintenance Agreement with the HOA. He noted two (2) invoices had been added for telephone and cable service, and the invoice for water was excluded. He stated if there were no questions, the amount for reimbursement by the District this quarter equaled \$9,934.81. After discussion, the Board directed that a pending invoice for water service, which had been held pending resolution on how to divide the costs between the District and HOA, be voided consistent with the advice of Mr. Blanton. **After discussion, upon motion by Director Koerner, seconded by Director Bryson, and unanimously carried by the Board members present, the Board approved the payment of invoices, including the transfer of \$25,000 out of the District's Money Market Account, and the District's Quarterly Investment Report.**

Director Golde stated that the Board would next consider action on amending the District's budget for the 2018-2019 fiscal year. Mr. Monzingo stated that no action was needed at this time. After discussion, no action was taken by the Board in connection with this item.

The next item to come before the Board was to discuss, consider, and take action regarding the District's budget for the 2019-2020 fiscal year. Mr. Monzingo stated that the Certification of 2019 Appraised Values from the Travis Central Appraisal District ("TCAD"), attached hereto as **Exhibit C**, had just been received. He noted that the Net Taxable Value for the District dropped by \$625,215 from TCAD's Estimate of Net Taxable Value. Mr. Monzingo stated that the slight drop in value was not enough to cause any change in the District's Financial Advisor's tax rate recommendation for debt service. Mr. Monzingo stated that based upon the District's Financial Advisor's recommendation, a debt service tax rate of \$0.20 per \$100 of assessed valuation was recommended. He noted that should the Board decide to leave its overall tax rate at \$0.35, this would leave \$0.15 to cover the operations and maintenance portion of the District's proposed budget.

Next, Mr. Monzingo presented a proposed preliminary budget for fiscal year 2019-2020, attached hereto as **Exhibit D**. He stated that his proposed budget was mostly unchanged from last year's budget with the exception of deleting the Amenity Center Improvements line item, as he was unsure whether the Board was moving forward with the project. After discussion, Director Clifford inquired whether the HOA anticipated any significant expenditures for maintenance associated with the facilities for which it has responsibility on behalf of the District under the Joint Maintenance Agreement for the 2019-2020 fiscal year. Mr. Blanton stated that he did not recall anything forecasted in the Reserve Study for the District, but that he would confirm at the next meeting.

Next, a discussion ensued concerning the District's anticipated beginning balance in the District's General Fund for fiscal year 2019-2020 and the Board's goal to maintain, but not grow, the targeted reserve fund of two times the annual operating budget.

Mr. Monzingo noted that his preliminary budget was provided for discussion purposes and noted that the Board would be asked to adopt a final budget at its next meeting.

The next item before the Board was to discuss, consider, and take action on the 2019 tax rate, set a date for public hearing on the tax rate, and authorize publication of the notice of public hearing on the tax rate. Ms. Albright presented this item and noted that this item was for the Board to authorize publication of notice of the proposed tax rate and the September public hearing date. A discussion ensued regarding the impact of lowering the operating portion of the tax rate. Ms. Albright reminded the Board that the tax rate approved at the September Board meeting could be lower, but not higher, than the published amount. Director Koerner recommended keeping the tax notice with a proposed tax rate of 35 cents. **After discussion, upon motion by Director Koerner, seconded by Director Clifford, and unanimously carried by the Board members present, the Board approved publication of the tax notice at a \$0.35/\$100 total tax rate, allocating \$.20/\$100 for debt service and \$0.15/\$100 for operations and maintenance, and authorized publication of the notice of a public hearing scheduled for Tuesday, September 17, 2019 at 6:00 p.m.**

Director Golde stated that the Board would next consider the engagement of West, Davis & Company to conduct the audit of the District's financial records for the period ending September 30, 2019, attached hereto as Exhibit E. Mr. West presented a copy of his firm's engagement letter noting that the terms, conditions, and fees associated with conducting the District's audit were unchanged from the previous year. **After discussion, upon motion by Director Clifford, seconded by Director Bryson, and unanimously carried by the Board members present, the Board approved the engagement letter, submitted by West, Davis & Company, for conducting the audit of the District's financial records for the period ending September 30, 2019.**

Director Golde stated that the Board would next discuss and consider action concerning District protocol for requesting legal services outside of Board meetings. Director Ubertini addressed the Board stating that the Board should take time to consider how best to efficiently utilize legal time.

Ms. Albright stated that her firm provides legal services at the Board's requests and had no issues with developing protocols outlining how requests for legal work were to be made. Director Koerner suggested that the protocol be established for requesting work from any of the District's consultants whether it be at the direction of the Board, or through a subcommittee comprised of two (2) Board members. After discussion, it was determined that two (2) Directors could authorize work by consultants outside of Board meetings, with the Board being made aware of the request at its next meeting and any resulting work product be provided to the entire Board .

Next, Director Clifford requested a consensus from the Board that the process currently utilized whereby she and Director Golde consult with Ms. Albright and her firm in connection with routine preparation of agenda packet support material, which includes the review and

modification of the District's Board meeting minutes, was acceptable. After discussion, it was the Board's consensus that interaction between Director Golde and Director Clifford, who act in this manner like a subcommittee, and Ms. Albright concerning routine preparation for Board meetings was consistent with this protocol.

The next item to come before the Board was to consider action as necessary concerning a report from the District's liaison to the HOA and from the HOA liaison to the District. Director Clifford reported that the fall protection zones at the playscape have been refreshed. She reported that there were a number of tree limbs from surrounding trees along the trails that were encroaching upon the pathways. She inquired whether the Board should consider formally requesting that the HOA trim these trees at the District's expense. After discussion, it was the consensus that Director Clifford, on behalf of the Board, request that the HOA trim the tress encroaching upon the trails at the District's expense.

Next, the Board recognized Mr. Blanton, who addressed the Board and reiterated that at the last Board meeting he had requested that the District's Engineer provide him with information regarding the proposed equipment to be used in connection with the trail repair at Carlton Ridge so that he could address the issue of a variance for accessing the project site with the HOA Board. He reported that the HOA granted the request for a period of 60 days from the date the variance was issued, attached hereto as **Exhibit F**.

Next, Mr. Blanton stated that the Board has also requested that the HOA identify a list of projects for review by Ms. Albright to determine whether they met requirements as recreational facility capital improvements and whether TCEQ approval would be required. Mr. Blanton provided this list, attached hereto as **Exhibit G**.

After discussion, Director Golde requested that Ms. Albright also provide the Board with a definition of "capital improvements" under TCEQ guidelines.

The Board next took up the engineering report, including drainage facilities, maintenance, and repair. Ms. Albright stated that this item was placed on the Board's agenda in the event that the District received a final report from the District's former engineer. She noted that no report was received. Director Koerner inquired whether there were any engineering items left unresolved. Director Clifford noted that a second bid on the repairs to the Carlton Ridge Trail was never received, and the negotiation with G. Creek to do the granite parking area was most likely not done.

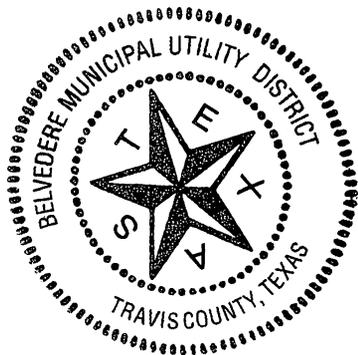
Director Golde suggested that the Board consider the solicitation of requests for qualifications for District Engineer. **After discussion, upon motion by Director Koerner, seconded by Director Ubertini, and unanimously carried, the Board established a subcommittee, to be comprised of Directors Clifford and Bryson, tasked with soliciting requests for qualifications for engineering services for the District.** The Board took no action in connection with trail maintenance and restoration, including bids for Carlton Ridge Trail repair and improvements.

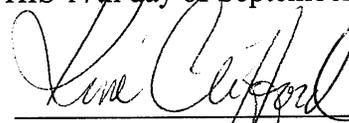
Next, Director Golde stated that the Board would next consider action concerning the planning, design, and construction of Amenity Center Lot improvements. After discussion, Ms. Albright summarized the Board's intention to rescind the award of the contract to G. Creek for this Project and place the Project on hold. In response to an inquiry from the Board, Ms. Albright stated that she was unaware whether notice of the Board's plan to so act had been sent by the District's former engineer to G. Creek, but stated that she would prepare written correspondence conveying this information to G. Creek for signature by the Board President. **After discussion, upon motion by Director Koerner, seconded by Director Bryson, and unanimously carried by the Board members present, the Board rescinded the award of the contract to G. Creek for the Amenity Center Lot improvements, placed the Project on hold, and authorized Ms. Albright to prepare written correspondence conveying this information to G. Creek for signature by the Board President.**

Director Golde stated that the Board would next consider the current and proposed facilities owned or maintained by the District, including reimbursement to the HOA under the Joint Maintenance Agreement and landscaping of Amenity Center Lot improvements and other facilities. Director Clifford inquired whether the Board, in light of the changes to expense reimbursements mentioned earlier by Director Ubertini and accepted by the Board, was ready to proceed with an amendment to the Joint Maintenance Agreement. After discussion, the Board authorized Director Ubertini, in association with Mr. Blanton, to work on a draft amendment for review by Ms. Albright.

After discussion, there being no further business and upon motion made by Director Koerner, seconded by Director Bryson, and unanimously carried by the Board members present, the meeting was adjourned at 7:50 p.m.

PASSED, APPROVED AND ADOPTED THIS 17th day of September, 2019.





Kim Clifford, Secretary