



Lakecliff POA Quarterly Meeting – October 29, 2021

Location: One Church in Spicewood

When: 10:00 AM CT in Person and Zoom

Opening – Call to Order, Certification of Quorum, Opening Remarks, Q3 Budget

- Meeting Called to Order by Mike Lange
- Certification of Quorum was announced by Mike and Celeste
- Attendees were:
 - Celeste – Management Company
 - Mike – POA Board President
 - Laura – POA Board and Finance Lead
 - Laurie – POA Board Vice President
 - Al – POA Board at Large
 - Dan – POA Board Secretary
 - Steve James
 - Linda McAdoo
 - Beverly Graham
 - David Chapman
 - Jerry Shelby
 - Bill Mahar
 - Susan Stephany
 - Jennette Murphy– On Zoom
 - Ron Batra – On Zoom
 - Paul Riddle – On Zoom
 - Larry and Anne Parks – On Zoom
 - Roberto Gil – On Zoom
 - Kim Roper – On Zoom
 - Mark Stephany – On Zoom
 - Pam Atkins – On Zoom
 - Pat and Cassie Trojanowsky
- Mike opened with comments
 - A lot has changed since Bobby Day had his vision for Lakecliff
 - When Mike and Laurie joined the POA Board, there was a significant need to focus on the community and the way the Board functioned
 - Today, the Board is comprised of 4 full time residents and 1 part time resident
 - Due to this change, the Board has really focused on the viability of Lakecliff
 - Roads
 - Drinking water
 - Sewage
 - Irrigation
 - Security
 - Fencing
 - Landscaping
 - Maintenance



- The POA Board meeting today is the culmination of a tremendous amount of effort to layout the framework for the future of Lakecliff and our needs from the community
- Lakecliff acts as a small municipality and as such, we need to act responsibly to manage the assets we are tasked to take care of
- The Agenda was shared with the people in the room and on Zoom and the Board proceeded
- Previous meeting minutes were voted on and Approved by the Board
- Laura presented Q3 financials
- Balance sheet is in good position
- Laura walked through our cash position
- Jerry asked a question regard 2 accounts on the Balance sheet
- Laura explained that these were savings accounts that were established and managed by Goodwin
- These accounts are primarily for Reserves for upcoming expenses
- Laura motioned to approve the financials
- The Board voted and approved the Q3 Financials

Dan Wittner Board Position Election

- Mike said we are needing multiple volunteers to help
- Anyone looking to volunteer, please contact any Board member
- Mike stated that Dan Wittner Board Position was up for election at the end of the year
- Dan Wittner will run to keep the seat
- Anyone wishing to run for the position on the Board, Celeste will be sending out instructions and timing

ACC – Steve James Presented the ACC Update (The Following is Steve’s entire Presentation. It was partially in the Presentation shared by the Board)

1. Status: 14 Houses in process; w/2 approved and scheduled to start in 2 months
7 are specs (4 being new cottages)
15 estimated to be approved and started in 2022
2. New ACC with new construction consultant, Matt Moore.
 - i. Good resource for people building homes: compliance, permitting, advice on builders, architects, materials, etc.
3. Principles of community/home development
 - i. Enhance high quality character of neighborhood
 - ii. Ensure homes are compatible with Hill Country nature and history
 - iii. Ensure quality of construction and diversity in designs consistent w/Hill Country environment
 - iv. Help differentiate look and feel of community
 - v. Preserve environment



4. ACC Activities

- i. Meet monthly to review plans, construction activity, and open issues
- ii. Developing an Architectural Plan document that covers all issues that a home owner and builder needs to know.
 1. Most information is in CCR's, but consolidates information.
Will be filed with State/County in Dec, 2021.
 2. No duplicate floor plans
 3. Screening of builders
 4. Architect stamps on plans
 5. Restrictions on construction activities (parking, delivery truck routes, cleanup, etc.)
 6. Oversight of landscape plans
 7. Dark skies and fire wise design parameters.
 8. Construction oversight (not trade inspections) throughout life of project
 9. Construction Fees: (Proposed)
 - a. New construction plan review, constr. Fee and gate: \$6,500 to \$9,500
 - b. Large remodel, addition; small project
 - c. Variance fee
 - d. Refundable Construction Dep for Fines, etc. \$15,000
 - e. Documented schedule of fines: ex- street parking, street damage, excessive mud, starting without approval, etc. Warning provided before fines assessed.

5. Issues

- i. Arch Stamps
- ii. Construction Street parking
- iii. Builder gate code control

Firewise

- Dan presented the document that was sent to the POA Members previously regarding our Firewise readiness
- Dan shared the CCR's Articles regarding Firewise and the Standards of Care that were sent to the POA Members to ensure they were clear on the requirements
- Dan shared the POA members had until end of February 2022 to comply
- The POA Board has offered Matt Moore to assist as he is a Firewise educator
- Also, POA members can leverage Rocky to help as well
- All support by the Board is at no cost to the POA Members



Security

- Dan presented with Al Bishop the Security Portion
- They emphasized that the community was Polled by the POA Board and that ~60% of the POA Members voted to have security
- The Board has been working to determine the best path
 - Guards at Front Gate
 - Greeters with enhanced technology solution and Professional remote Monitoring
 - Leverage modern technology and Remote services
- The POA Board has consulted with residents that are previous law enforcement
- The Board thanked Linda McAdoo and Barrett Wilson for their support
- The Board has been focusing on what is right for Lakecliff as these options have a significant impact on costs
 - BCL spends ~\$350,000 per year on Security
 - Spanish Oaks spends ~\$450,000 per year on Security
- As Lakecliff is smaller, the Board has been evaluating options based on
 - Cost
 - Flexibility
 - Ability to allocate costs
 - A solution that can modernize Lakecliff
- Next steps are to have Security Committee Workshops for all POA Members to attend to discuss options
- The intent is to have a recommendation for the Board in early December

Website

- Laurie showed the new Lakecliff.com Website
- Laurie showed the one stop page that has everything Lakecliff
 - POA Site
 - Golf Club Site
 - Tennis Site
 - Arnie's 19th Hole
- We showed the new functionality and ease of getting information
- It is clear that our Website is a Best in Class tool and represents the community in a wonderful manner

Cottage Landscaping and Painting

- Mike and Laurie showed multiple pictures of the new landscaping at the cottages
- The mentioned that they were designed to reflect our regional plant scapes
- Also, they have been changed to drip v. sprinklers to conserve water
- Mike mentioned that the POA continues to be responsible for the Cottages as the CCR's dictate
- Additional landscaping was installed to hide all utilities and make it a more seamless appearance



- Doyle Wilson's project will also adopt this plan
- Painting was shown on one of the Cottages
- The colors are a slight variance due to ability to get colors
- Doyle will be painting the chimneys and Chimney covers in the near future (Doyle volunteered to paint these at no cost)

Legislation Compliance

- Dan said all the legal paperwork to ensure Lakecliff POA was in compliance with the new laws that went into effect on 9.1.2021 were voted on, signed, notarized and submitted to Travis County for filing prior to 9.1.2021.

Conflict of Interest Policy

- Mike introduced that the POA Board had taken the measure to have our Attorney draft a policy to address potential Conflicts of Interest
- Mike mentioned that since we had a person on the Board that was a supplier to the POA, he felt it was prudent to ensure we had a policy that we all abided by
- Mike said that the POA Board had been operating in that manner and when the Board Member had a conflict that they recused themselves from the voting
- Mike asked for a motion to adopt the policy
- It was motioned by Dan and Seconded by AI
- Board voted to approve
- Dan was authorized to sign and get the document notarized and filed with Travis County

Infrastructure Discussion

Aqua Texas Meeting

- Attendees
 - Bob Laughman – President Aqua Texas
 - Scot Foltz – Manager of Compliance
 - Mike Lange
 - Steve James
 - Laurie Chapman
 - David Chapman
 - Dan Wittner
- Focus of meeting was the viability of Lakecliff for drinking water and sewer
- Dan explained that the POA Board had send multiple questions ahead of time to Aqua Texas to ensure they were able to address at the meeting
- The key findings
 - Aqua Texas has adequate water for 1200 connections
 - They are not expected to support Thomas Ranch or the Hines Projects
 - Aqua Texas has built a new water treatment plant in BCL that is fed from their Firm contract with LCRA from Lake Travis
 - This will supplement our 3 good producing wells that Lakecliff has



- The water will be load balanced real time for the optimal use of water across both communities
- Pictures were shared of the new water treatment facility in BCL
- Aqua Texas is also building a new sewage treatment plant in BCL
- They are looking new ways to use Effluent for landscaping and other usage
- A water quality report was shared
- It was clear that the water quality is well within all quality measures
- The report is in the presentation that was shared
- Central Texas Water Coalition was mentioned and the need for our support
- CTWC is a champion for all of us in how we use the Highland Lakes to ensure long term water viability
- Mike mentioned that we should all support this

LCRA Customer Meeting

- David Chapman attended a customer meeting and provided Lakecliff the presentation that LCRA gave
- Key points
 - Warmer/milder Winter
 - Rainfall has been below normal
 - Although our area is not considered in a drought, areas all around us are and can affect the lake system
 - The utility lakes are at almost the same levels as last year
 - Usage of water has declined 18% year over year

Irrigation

- Questions in previous POA Board Meeting regarding the cost of irrigation water
- POA has done a preliminary review of our current cost structure and compared this to like communities
- Current Cost
 - LGC charges POA \$2.65 per 1000 gallons of water
 - LGC charges \$800 per month for pump maintenance
 - Rocky charges \$380 per month for meter reading
 - POA charges homeowners using water \$4.20 per 1000 gallons of water
 - Year to date – POA has generated revenue of \$50,000 with a net loss of ~\$5000
 - POA has been advised LCRA rates are increasing as of 1/2022 and LGC will pass through additional expense of \$0.18 per 1000 gallons
 - We have future expenses for maintenance of pipes and installation of new pipes not previously installed
- BCL Irrigation Costs
 - \$70 per month per home/lot owner (everyone pays)
 - \$1.70 per 1000 gallons of water
- Comparison of BCL and Lakecliff Homeowners
 - YTD Cost of Irrigation Water to residents of Lakecliff is ~\$50,000



- If Lakecliff went to the BCL model, the cost to the residents would increase to ~\$161,000
- Primary drivers are everyone pays a flat \$70 per month per lot
- Many of Lakecliff residents would incur a significant burden in the BCL model
- Comparison of Spanish Oaks/Rough Hollow and Lakecliff Homeowners
 - Cost of water would increase dramatically as usage of in-home water and irrigation water would drive prices into the upper zones of pricing
 - Based on YTD average usage by homeowners at an average of 400,000 gallons per month not including in-home water, prices would jump to an average of ~\$10.37 per 1000 gallons or average cost would go from today at ~\$1708 per year to ~\$4100 per year
- Next Steps
 - Have Irrigation Committee Workshop in November
 - Irrigation Committee to provide update to POA Board in late November or Early December

Roads Update

- Mike mentioned that the POA Board met with Loan Star Paving – Jim Ramming
- Examined all roads
- Determined Base is Good
- Board determined that due to condition of streets and amount of construction, we will postpone any road work to 2023
- At this time, we have ~\$166,000 in reserves for road work
- Anticipated costs are \$120,000 for sealing only (without any repairs) to \$400,000 based on work required
- Additional reserves to be applied in 2022

Fence Painting and Repair

- Mike opened this section with explaining that the POA owns the fences and must maintain those
- Previously, the SSGC participated in painting some of the fences but it was the associations responsibility
- Dan showed multiple pictures from around the community
- Dan presented the following
 - Governing Documents – Ownership and Maintenance
 - Article 1, 20 – Definition of Fencing
 - Article 2, Section 2.7 (c) – Maintenance of Fence
 - *Subdivision Fence maintenance and repair shall be the responsibility of the Association. The Association reserves a permanent maintenance easement ten feet (10”) in width (or to the subdivision line) on each side of the fence.*
- Issues
 - Condition of fences are deteriorating



- A large portion of the fence has not been painted in a long time and needs painting and repair
- Previous painting was in 2018
- Paint was applied to rotting infrastructure
- Next Steps
 - POA Board has requested and received proposals at \$19,600
 - As this is considered maintenance, the Board will move forward with this initiative using reserves set aside to maintain the fences

Budget and Assessments

- Mike opened this section discussing our current situation
- Mike mentioned that we have not increased our assessments since 2017
- The following are from the presentation given in the meeting
 - Growth – 41% increase in homes
 - Increased expenses – As community grows, the expenses for occupied homes is far more expensive than lots due to strain on infrastructure
 - Reviewed Assessments back to 2008
 - If POA had increased at 20% since 2008, current assessment would be \$3252
 - If POA had increased at 10% since 2008, current assessment would be \$1139
 - Comparison to other communities
 - BCL – Own roads and Irrigation - \$1296 annual assessment in 2021 and increasing to \$1450 in 2022, special assessments for roads of \$450 per lot in 2021
 - Spanish Oaks – Own roads - \$4400 annual assessment
 - Rough Hollow - \$1550 annual assessment
 - Assessment allocations
 - Roads
 - Irrigation
 - Security
 - Landscaping
 - Fencing
- Dan gave a quick summary of the community comparisons
- Reserves and Expenses were discussed
- Dan mentioned that on the Balance sheet it appeared the POA had adequate cash
- Dan explained the following sheet to help POA Members understand our real cash position with the current infrastructure needs



Reserves v. Expenses
10.29.2021

Total Cash end of 9/2021 **\$339,905.12**

Reserves	2021	2022	Total Anticipated Reserves in 2022	Anticipated Expenses	B/W	Notes
Streets/Roads	\$ 166,898	\$ 69,287	\$ 236,185	\$ 200,000	\$ 36,185	We anticipate this to be pushed to 2023 expense. Costs include sealing and minor repairs. If more significant repairs are required, this could go up to ~\$400,000
Fence Painting/Maintenance	\$ 12,700	\$ 5,000	\$ 17,700	\$ 39,600	\$ (21,900)	Painting is \$19,600 and repairs to posts are projected at \$20,000
Landscaping	\$ 29,925	\$ 5,000	\$ 34,925	\$ 20,000	\$ 14,925	Tree/Plants replacement
Guard House/Mailbox	\$ 10,000	\$ 2,500	\$ 12,500	\$ 20,000	\$ (7,500)	Update to bathroom and painting of Guard House and mailbox
Irrigation	\$ 47,850	\$ 5,000	\$ 52,850	\$ 60,000	\$ (7,150)	Overage on water costs v. revenue as well as installation of pipes to complete irrigation to entire community
Security	\$ 18,190	\$ 2,500	\$ 20,690	\$ 80,000	\$ (59,310)	This cost is projected based on the proposals to enhance our security
Totals	\$ 285,563	\$ 89,287	\$ 374,850	\$ 419,600	\$ (44,750)	

- It was clear we need additional reserves to support infrastructure needs
- The POA Board recommended that we raise the current Annual Assessment from \$850 to \$1020 per lot
- A question was raised by Jerry regarding if everyone pays per lot or was there some exception
- Dan responded that all lot owners owe an Assessment per lot and that was the law
- Mike mentioned that we will have Goodwin conduct an audit to ensure compliance
- Mike asked for a motion to approve the Assessment increase
- Motion was provided
- Second
- Vote was to approve
- The Board moved to review the budget that was based on the new assessment
- Laura went into detail on the new revenues and increased spend
- Revenue is shown to increase by 37% while Expenses show to increase by 59% over 2021
- There were a few comments on what is driving the new revenue and expense and it is clear that with all the growth, we are seeing that affect the numbers
- Mike called for a motion to approve the 2022 Budget
- Laura made the motion
- Second
- Vote was to approve
- All Financial documents are posted on Town Square for review
- Dan mentioned that the presentation would be posted as well
- Mike and Dan reiterated that we will be having Committee workshops and for everyone to look for that invite

Homeowner Forum

- Jerry asked about the Diaz property and the fountains at the front gate
- Mike responded and let him know that we are doing a lot of research at this time
- No further questions were raised
- Mike called to Adjourn
- Meeting ended at 11:45 AM CT