



Lakecliff POA Quarterly Board Meeting – July 22, 2023

Location: One Church in Spicewood

When: 10:00 AM CT in Person and Zoom

Opening – Call to Order, Certification of Quorum, Approval of April 15, 2023 Quarterly Board Meeting Minutes, 2023 Year to Date through June Financials

- Meeting Called to Order by Mike Lange at 10:00 AM CT
- Certification of Quorum was announced
- Attendees were:
 - Mike Lange– POA Board President
 - Kent Graham – POA Board and Treasurer
 - Nancy McCormick – POA Board Director
 - Scott Walther – POA Board Director
 - Dan Wittner – POA Board Vice President and Secretary
 - Steve James – ACC Committee Chair
 - Bob Randle – ACC Committee Representative
 - Pat Trojanowsky – Cottage and Villa Committee Chair – Zoom
 - Laurie Chapman – Community Engagement Committee Chair
 - Stacy Jackson – Goodwin Property Manager
 - Kim Franceschini - Zoom
 - Katy Franceschini - Zoom
 - Karen Tirado - Zoom
 - Beverly Graham
 - Jeannette Murphy - Zoom
 - Mark Stephany
 - Susan Stephany
 - Paul Giangarra
 - David Longoria
 - Ira Wallace
 - Elaine Wallace
- April 15, 2023 Annual Board Meeting Minutes Approval – Dan motioned to approve, Kent seconded – Approved by the Board



2023 Financial Review

- Kent walked through the year to date (through June) 2023 financials
- Kent shared that overall revenues for the year were projected to be lower. Primary driver was the reduction in building in the community
- Kent reviewed the overall numbers and asked for questions
- Kent made the motion to Approve the year to date (through June) 2023 Financials. Mike Seconded and the Board Approved.

POA Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
Income				
POA Income				
Assessments - Annual POA	244,945	247,248	244,945	(2,303)
Lot Mowing Fee Allocation	4,675	16,600	16,600	-
Interest Income	367	500	500	-
Key/Remote Fee	700	-	700	700
Late Fee	1,024	780	1,024	244
AR Fee Income	2,355	200	2,355	2,155
Total POA Income	254,064	265,328	266,123	795
Cottages Income				
Landscape Maintenance	1,722	44,980	32,400	(12,580)
Landscape Seasonal	2,067	4,100	4,100	-
Setup Fees	245	-	245	245
Sprinklers Repair-Reimb	57	1,500	1,500	-
Total Cottages Income	4,101	50,580	38,245	(12,335)
Development Income				
Arch Review Fee	3,500	25,000	7,500	(17,500)
New Construction Mgmt Fee	-	40,000	16,000	(24,000)
Total Development Income	3,500	65,000	23,500	(41,500)
Irrigation Income				
Revenue	29,597	77,000	95,000	18,000
Irrigation System - Set up fees	10,000	25,000	25,000	-
Total Irrigation Income	39,597	102,000	120,000	18,000
Total Income	301,262	482,908	447,868	(35,040)
Expenses				
POA Admin Expenses				
Accounting	375	750	750	-
Bank Charges	36	-	36	36
Copies	1,500	975	1,500	525
Admin/AR Fees	510	5,000	2,000	(3,000)
Legal Expense	6,364	15,000	25,000	10,000
Management Fees	7,062	14,125	14,125	-
Meeting Expense	1,220	1,500	3,000	1,500
Misc General Expense	7,140	-	7,140	7,140
Postage/Delivery	383	500	500	-
Social Events	-	2,500	2,500	-
Website Maint	-	2,500	1,000	(1,500)



YTD 6-30-23 Financials

Consolidated

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POA Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
Website Hosting	244	500	500	-
Ins-D & O	-	2,052	2,052	-
Ins-F&E or Package	4,186	3,550	4,186	636
Ins-Liability	-	3,262	3,262	-
Taxes-Property	291	900	900	-
Total POA Admin Expenses	29,611	53,014	68,351	15,337
POA Landscape Expenses				
Landscape-Common Area Seasonal	10,688	-	10,688	10,688
Landscape-Lot Mowing	-	16,600	16,600	-
Landscape-Common Area Recurring	27,678	59,000	59,000	-
Landscape-Supplies	1,454	2,900	2,900	-
Landscape-Sprinklers	1,073	1,500	1,500	-
Total POA Landscape Expenses	40,894	80,000	90,688	10,688
POA Property Expenses				
Entry Gate Maintenance	1,328	1,000	1,500	500
Key/Locks	110	-	-	-
Mailbox/Guard House Maint/Repair	156	1,500	1,500	-
Landscape Lights	695	200	200	-
Maint/Repair	4,865	2,000	2,000	-
Security/Monitoring	-	31,698	13,170	(18,438)
Signage Install/Maint	2,916	500	3,000	2,500
Street Light Maint/Repair	-	200	200	-
Water Feature Maint	291	400	400	-
Total POA Property Expenses	10,359	37,408	21,970	(15,438)



YTD 6-30-23 Financials

Consolidated

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POA Consolidated

Lakecliff on Lake Travis POA
Income Statement - Consolidated
YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
POA Utility Expenses				
Electric	1,034	2,600	2,600	-
Tel/Cell/Pager	1,314	-	1,674	1,674
Security Project - funding	-	-	-	-
Total POA Utility Expenses	2,348	2,600	4,274	1,674
Cottages Expense				
Landscape-Recurring	13,974	44,980	43,200	(1,780)
Landscape-Cottage Seasonal	2,668	4,100	4,100	-
Landscape-Sprinkler Repairs	1,196	1,500	1,500	-
Total Cottages Expense	17,828	50,580	48,800	(1,780)
Development Expenses				
Development Services	30,100	61,000	59,900	(1,100)
Total Development Expenses	30,100	61,000	59,900	(1,100)
Irrigation				
Meter Reading	2,787	5,367	5,367	-
Raw Water	33,146	85,000	68,000	(17,000)
Raw Water - Water Facility	5,600	9,600	9,600	-
Irrigation Repair/Maint POA	1,108	5,600	5,600	-
New Meters	2,482	-	4,000	4,000
Irrigation Install	4,886	-	4,886	4,886
Total Irrigation	50,009	105,567	97,453	(8,114)
Total Operating Expenses	181,149	390,169	391,436	1,267
Operating Net Income (Loss)	120,113	92,739	96,432	(36,307)
Non-Operating Expense				
Debt Service - Security Project Interest	1,475	3,770	3,770	-
Fence Repairs	3,267	15,000	15,000	-
Irrigation - Install new meters	-	58,800	-	(58,800)
Road Maint & Repair	-	75,000	40,000	(35,000)
Security Project - Expenses	27,595	-	41,808	41,808
Security Project - Funding	(12,219)	-	(26,432)	(26,432)
Total Non-Operating Expense	20,119	152,570	75,146	(76,424)
Fund Change	99,995	(59,831)	(19,714)	40,117
Beginning Reserve Balance	101,728	101,728	101,728	
Fund Change	99,995	(59,831)	(19,714)	
Ending Reserve Balance	201,722	41,897	82,014	
Targeted Operating Reserve	130,056	130,056	130,056	
Non-Operating Reserve	71,666	-	-	



YTD 6-30-23 Financials

Consolidated

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POA

Lakecliff on Lake Travis POA
Income Statement - POA
YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
Income				
Assessments - Annual POA	244,945	247,248	244,945	(2,303)
Lot Mowing Fee Allocation	4,675	16,600	16,600	-
Interest Income	367	500	500	-
Key/Remote Fee	700	-	700	700
Late Fee	1,024	780	1,024	244
AR Fee Income	2,355	200	2,355	2,155
Total Income	254,064	265,328	266,123	795
Expense				
Administrative Expenses				
Accounting	375	750	750	-
Bank Charges - Return Pymt	36	-	36	36
Copies	1,500	975	1,500	525
Admin-AR Fees	810	5,000	2,000	(3,000)
Legal Expense	6,364	15,000	25,000	10,000
Management Fees	7,062	14,125	14,125	-
Meeting Expense	1,220	1,500	3,000	1,500
Misc General Expense	7,140	-	7,140	7,140
Postage/Delivery	383	500	500	-
Social Events	-	2,500	2,500	-
Website Maint	-	2,500	1,000	(1,500)
Website Hosting	244	500	500	-
Ins-D & O	-	2,052	2,052	-
Ins-F&EC or Package	4,186	3,550	4,186	636
Ins-Liability	-	3,262	3,262	-
Taxes-Property	291	800	800	-
Total Administrative Expenses	29,611	53,014	68,351	15,337



YTD 6-30-23 Financials

POA

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POA

Lakecliff on Lake Travis POA
Income Statement - POA
YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
Landscape				
Landscape-Common Area Seasonal	10,688	-	10,688	10,688
Landscape-Lot Mowing	-	16,600	16,600	-
Landscape-Common Area Recurring	27,678	59,000	59,000	-
Landscape-Supplies	1,454	2,900	2,900	-
Landscape-Sprinklers	1,073	1,500	1,500	-
Total Landscape	40,894	80,000	90,688	10,688
Property Expenses				
Entry Gate Maintenance	1,328	1,000	1,500	500
Keys/Locks	110	-	-	-
Mailbox/Guard House Maint/Repair	156	1,500	1,500	-
Landscape Lights	695	200	200	-
Maint/Repair	4,865	2,000	2,000	-
Security/Monitoring	-	31,608	13,170	(18,438)
Signage Install/Maint	2,916	500	3,000	2,500
Street Light Maint/Repair	-	200	200	-
Water Feature Maint	291	400	400	-
Total Property Expenses	10,359	37,408	21,970	(15,438)
Utility Expenses				
Electric	1,034	2,600	2,600	-
Tel/Cell/Pager	1,314	-	1,674	1,674
Total Utility Expenses	2,348	2,600	4,274	1,674
Total Operating Expense	83,211	173,022	185,283	12,261
Operating Income (Loss)	170,853	92,306	80,840	(11,466)
Non-Operating Expenses				
Security Project - expenditures	27,595	-	41,808	41,808
Security Project - funding	(12,219)	-	(24,432)	(24,432)
Fence Repairs	3,267	15,000	15,000	-
Road Maint/Repair	-	75,000	40,000	(35,000)
Debt Service - Security Project Interest Expense	1,475	3,770	3,770	-
Non-Operating Expenses	20,119	93,770	76,146	(17,624)
Fund Change - Cash Increase (Decrease)	150,734	(1,464)	4,694	6,158



YTD 6-30-23 Financials

POA

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Irrigation

Lakecliff on Lake Travis POA
Income Statement - Irrigation
 YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
Income				
Irrigation System Revenue	29,597	77,000	95,000	18,000
Irrigation System - Set up fees	10,000	25,000	25,000	-
Total Income	39,597	102,000	120,000	18,000
Expense				
Meter Reading	2,787	5,367	5,367	-
Raw Water	33,146	85,000	68,000	(17,000)
Raw Water - Res. Water Facility	5,600	9,600	9,600	-
Repairs - POA Irrigation	1,108	5,600	5,600	-
New Meters	2,482	-	4,000	4,000
Irrigation Install	4,886	-	4,886	4,886
Total Expense	50,009	105,567	97,453	(8,114)
Non-Operating Expense				
Irrigation - Install new meters	-	58,800	-	(58,800)
Total Non-Operating Expenses	-	58,800	-	(58,800)
Total Expenses	50,009	164,367	97,453	(66,914)
Fund Change - Cash Increase (Decrease)	(10,412)	(62,367)	22,547	84,914



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Development

Lakecliff on Lake Travis POA
Income Statement - Development
 YTD June 30, 2023

	YTD Actual	Annual Budget	Projected 2023	Projected vs Budget
Income				
Arch Review Fee	3,500.00	25,000.00	7,500.00	(17,500.00)
New Construction Mgmt Fee	-	40,000.00	16,000.00	(24,000.00)
Total Income	3,500.00	65,000.00	23,500.00	(41,500.00)
Expense				
Administrative Expenses				
Development Services	30,100.00	61,000.00	59,900.00	(1,100.00)
Total Expense	30,100.00	61,000.00	59,900.00	(1,100.00)
Fund Change - Cash Increase (Decrease)	(26,600.00)	4,000.00	(36,400.00)	(40,400.00)



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Cottages

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Income				
Cottage Landscape Maintenance Allocation	1,722	44,980	32,400	(12,580)
Cottage Landscape Seasonal Allocation	2,067	4,100	4,100	-
Set-up Fees	245	-	245	245
Sprinklers Repair Revenue - Cottages	67	1,500	1,500	-
Total Income	<u>4,101</u>	<u>50,580</u>	<u>39,245</u>	<u>(12,335)</u>
Expense				
Landscape-Cottage Recurring	13,974	44,980	43,200	(1,780)
Landscape-Seasonal	2,658	4,100	4,100	-
Landscape-Cottage Sprinkler Repairs	1,196	1,500	1,500	-
Total Expense	<u>17,828</u>	<u>50,580</u>	<u>48,800</u>	<u>(1,780)</u>
Fund Change - Cash Increase (Decrease)	<u>(13,727)</u>	<u>-</u>	<u>(10,555)</u>	<u>(10,555)</u>



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Balance Sheet

Lakecliff on Lake Travis POA
Balance Sheet
Period 06/30/2023

Assets			
Cash			
	Cking - Western Alliance	135,625	
	Cking - Arrowhead Bank	136,463	
	MMA Reserve - Western Alliance	34,733	
	MMA2 - United Heritage #2405	9,447	
	MMA2 - United Heritage - Basic Business	982	
	Total Cash	317,250	
	Total Assets		317,250
Liabilities & Equity			
Notes Payable			
	Arrowhead Bank Loan #171786	115,180	
	Total Notes Payable	115,180	
Prepaid Assessments			
	Prepayments	13,502	
	Total Prepaid Assessments	13,502	
Fund Balance			
	Beginning Fund Balance	101,728	
	Tran Direct Fr Assn	(12,219)	
	Fund Change	99,558	
	Total Fund Balance	189,067	
	Total Liabilities & Equity		317,250



YTD 6-30-23 Financials

June Balance Sheet

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Infrastructure

Security

- Dan moved into the Infrastructure section starting with Security update
- Dan mentioned that the Security Platform implementation was a~90% of completion
- Significant volume has been seen coming into the community
- Still having some intermittent issue with one of the AllBoxes but it has not created disruption
- Overall, the implementation has gone smooth however it took a bit longer that anticipated
- The POA Board appreciates all the support during the transition and we feel the solution will support Lakecliff for years to come

Security

- Full Launch of Base Platform was on April 19th
- We are 90% complete with the total solution as there are a couple of minor recurring errors – None that are causing any disruption in day-to-day operations
- Stats as of 7/19/2023 - ~90 days since live date
 - 22,015 Transactions processed
 - 12,938 Gate Tags read
 - 9,077 Visitor QR codes read
 - 5,228 – Contractors
 - 1,724 – Visitors
 - 1,673- Permanent Visitors
 - 452 – Parties
 - Actual transactions normalized to count tailgating at multiplier of 1.5 = ~33,022
 - Number of People based on occupancy multiplier of 1.5 = ~49,534
 - 132 Mobile users and 74 Web Browser users
 - Busiest hour of the day is 8 AM with constant arrivals until 6 PM
 - 10 car tags and 20 PIN codes have been disabled due to improper use



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Roads

- Scott provided an update on the roads and expected actions
- Scott mentioned that we have seen some issues with the continued heat and lack of rain
- The POA Board will continue to monitor the roads and take action as required

Roads

- Recently met with Jim Ramming with Lone Star Paving
- We have identified several areas that are deteriorating and will need repairs
- Jim is preparing a plan for us to complete this year. Some of the options include Entry to Lakecliff, Cliff Point from the Gates to Cliff Crossing, and Gallery Drive
- Our maintenance plan is to take action every year on roads throughout the community to better maintain and minimize large repairs
- As mentioned previously, the maintenance plan will cost us between \$30,000 and \$75,000 annually depending on the road deterioration
- The intent is to work within our budget and not require a Special Assessment

Fence Update

- Mike and Scott discussed the current state of the perimeter fences in Lakecliff
- They mentioned that they had looked at all 9,000 feet of fence again and the Hayne Flat Road section required immediate action
- Fence post and cross ties have been ordered and we expect to begin in Q3

Fence Priorities

- We have reviewed the 9,000+ feet of fences again and we will need to focus on the main posts on Hayne Flat Road
- We have ordered 40 new Posts and additional Slats. We are waiting on delivery. We have contracted with Discount Fence to install and another contractor to paint
- We will continue to make repairs as required
- As mentioned prior, the POA Board put in place an annual maintenance budget line item to address this going forward to ensure our fences do not fall into disrepair
- Update on repair status will be provided in the next board meeting





Irrigation Updates

- Dan continued discussing the Irrigation
- He mentioned that we had made some progress but getting some of the issues resolved were taking longer than expected
- Dan mentioned 1 major leak that was caused by a builder and was being billed back to the contractor

Progress Made

- All new homes to get meter with check valves - We have replaced ~30 homes with the new configuration
- Identified all Shut-off valves. In final stages of getting all in working order as some are stuck due to being under ground
- Good news, the work Rocky has done has had a significant impact on Lost Water. We have reduced lost water to ~1% of volume in July
- Still see some users having issues with their irrigation system which is wasting water. We encourage all homeowner using POA irrigation water to have your systems checked to minimize water loss





Community Clean-up

- Dan discussed several initiatives the POA Board was working on to clean-up Lakecliff
- The below provides an update on each item

Updates

Drainage Easements

- Contractors identified for clean-up
- Work began but we needed to pause as heat was affecting the workers
- Work will resume once we feel it is safe to do the work

Tree Limb Removal

- Work has concluded on the first Phase
- The amount of limbs across the community removed was significant and we are waiting on disposal

Mowing

- Mowing has been completed of the unimproved lots
- There are some areas that will need some additional maintenance and the Board is working with Rocky on getting those areas finalized

Lakecliff Front Entry

- Entry area to Lakecliff needs to be modified
- Current area in front of the Lakecliff Water fountain is causing road deterioration and prior to any road repair in the area, it must be changed
- We have received a bid to use rock scaping to eliminate any water requirements and blend with the other landscaped areas at the entry



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Aqua Texas Update

- Mike and Dan provided an update on the progress with Aqua Texas
- He presented some of the Actions Taken

Aqua Texas Update

- Continue to stay close to Aqua on the water issue
- The Aqua Texas team is "all in" on the efforts to protect the water supply of Central Texas and lobby for the health of Lake Travis
- Other issues that Aqua is working is repair of the Sewage tank on Kahala
- The holding tank had significant issues with its electrical system and major pipe erosion
- Aqua took immediate action and has identified a contractor to replace the electrical and pipes in the tank
- The work should begin in August if all the equipment comes in
- Good News....We will have a pretty much Brand New Holding tank configuration for the community

RPZs

- Many houses in Lakecliff have RPZs that allow switching water sources for irrigation – Aqua, Lake, POA Water
- These have been installed by irrigation contractors mostly and working with Aqua we realize that we could potentially have a problem with our drinking water being contaminated if the RPZs are not working appropriately
- Working with the President of Aqua, we will begin a mandatory program to TCEQ certify and monitor the RPZs to ensure no contamination is possible
- The Property owners with RPZs should look for updates as we get the plan together



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Lake Travis Water Levels

- As is evident, Lake Travis water levels continue to decrease
- As of July 20th, the water levels were 636.21 mean sea level (msl)
- Why does this matter other than the lake looks bad....
- LCRA has identified several key triggers that will impact water supplies
 - 642 msl is one of them and we are now well below that
 - 900,000 acre feet (AF) of combined storage between Lake Buchanan and Lake Travis – We are at 966,000 AF and going down quickly
- We anticipate that if we hit 900,000 AF, LCRA will move to Mandatory water restrictions which will have more of an impact on Lakecliff
- We recommend that all Lakecliff residents and lot owners go to Lakecliff.com and select the Lakecliff POA website. Select POA Governing Documents and pick Lakecliff Contingency Plan. This outlines specifically the requirements that we must meet and what the LCRA will do to manage the Lake system more efficiently through this drought



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Lake Travis Water Levels

Current Lake Levels

Lake (Dam)	Date/Time of Last Report	Lake Level (ft msl)	7 Days Ago (ft msl)	30 Days Ago (ft msl)
Buchanan (Buchanan)	Jul 20 2023 8:01AM	999.51	1,000.28	1,002.28
Inks (Inks)	Jul 20 2023 8:01AM	887.09	887.01	887.10
LBJ (Wirtz)	Jul 20 2023 8:01AM	824.77	824.76	824.77
Marble Falls (Starcke)	Jul 20 2023 8:01AM	736.39	736.36	736.36
Travis (Mansfield)	Jul 20 2023 8:01AM	636.21	636.69	638.33
Austin (Miller)	Jul 20 2023 8:01AM	492.19	492.14	492.20
Bastrop (Bastrop)	Jul 20 2023 7:55AM	449.68	449.70	449.56

Jul 20 2023 7:45AM

Short term lake level forecasts for Buchanan and Travis:

Buchanan
 Tomorrow = 999.4 ft msl
 One Week = 998.7 ft msl

Travis
 Tomorrow = 636.1 ft msl
 One Week = 635.4 ft msl

Current Storage In Lakes Buchanan and Travis

Lake	Date/Time of Last Report	Lake Level (ft msl)	Historical July Average (ft)	Difference From Average (ft)
Buchanan	Jul 20 2023 8:01AM	999.51	1,012.64	-13.13
Travis	Jul 20 2023 8:01AM	636.21	667.15	-30.94

Lake	Date/Time of Last Report	Current Storage (a-f)	Current Percent Full	Storage When Full (a-f)	Difference From Full (a-f)
Buchanan	Jul 20 2023 8:01AM	482,419	58 %	835,869	-353,450
Travis	Jul 20 2023 8:01AM	481,208	43 %	1,115,076	-633,868
Totals		963,627	49 %	1,950,945	-987,318

Source: LCRA

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Lake Travis POA/HOA Coalition

- As is evident, we believe we need to become even more engaged with how the water is managed on Lake Travis
- Lake Buchanan has created a work group to address its situation
- We have as of this week begun to formulate a program with all POAs and HOAs that are affected by Lake Travis
- We met with Goodwin Monday to create an action plan to engage and petition these groups to join us in lobbying the LCRA and Gov. Abbot
- This is early but we think it can have a measurable impact on how LCRA manages the system in the future
- More to come.....



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Drought Contingency and Water Conservation

- Dan continued with a reminder for the community regarding the current water restrictions and the POA Member's responsibility

Water Conservation - Reminder

LCRA Notice

"Due to extremely dry conditions throughout the basin, LCRA is implementing drought response Stage 1 under the Drought Contingency Plan

You and other domestic use, temporary, and landscape irrigation and recreational use water customers should continue following the maximum twice-per-week watering schedule:

Wednesdays and Saturdays for addresses ending in odd numbers.

Thursdays and Sundays for addresses ending in even numbers.

Hours: Midnight to 10 a.m. and 7 p.m. to midnight."

- The POA Board has sent out notices to the POA Members regarding this
- The POA Board has posted on our website Lakecliff.com the Aqua and Lakecliff Drought Contingency Plans and the Water Conservation Plan
- LCRA has mandated that we move to 2 days a week watering schedules going forward



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State Law Changes

- Dan discussed several changes that have been Approved by the Texas Legislature
- Dan mentioned that these changes require Lakecliff to comply
- In order to comply, Mike has documents drawn by our Attorney for approval and signature
- Mike asked for this to be approved. Dan Seconded and the Board approved

State Law Changes

New Laws Affecting POAs

- The Texas Legislature completed its 2023 session with 2 bills affecting POAs
 - HB 614 – Fines
 - HB 886 – Lien Filing
- To comply, the POA Board has had our Attorney develop a Policy document



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Assessment Clarification

- Mike continued to discuss that there have been some questions regarding assessment. In order to address this, the POA Attorney has drafted a note that has been posted to the website to ensure all Lakecliff residents are clear on assessments



POA Policy

Assessment Clarification



300 N. Dicks Parkway Suite 404
Plano, TX 75044
P: 469.551.1000
F: 469.551.1024

Member Contact Information
Lisah.Burton@stephens-johnson.com
469.529.4200

June 19, 2023

To the Members of the Lakecliff on Lake Travis
Property Owners Association

Re: **Mandatory Assessment Obligations**

Dear Members:

This firm represents Lakecliff on Lake Travis Property Owners Association (the "Association"). As you know, the properties under the control of the Association are subject to restrictive covenants, policies and rules and regulations (the "Restrictions") that govern the use of Lots in the Subdivision. One such restrictive covenant regards a Lot owner's mandatory obligation to pay Assessments. As Assessments are the lifeblood of a property owners' association, the Association's collection and payment of those Assessments is crucial to the financial viability and success of the community. The purpose of this document is to clarify Lot owners' Assessment obligations for the benefit of current and future owners of Lots within the Subdivision.

Per Article 5, Section 5.3 of the Restrictions, each Lot is subject to an annual Assessment. "Lots" are defined to include each of the Lots shown on the "Plat." The "Plat" includes the recorded Plats for each Section of the Association as specifically identified in the Restrictions. Therefore, each "Lot" is responsible for the payment of one (1) annual Assessment.

As such, if an individual Lot owner purchases multiple Lots and combines and/or replats those Lots into one single lot for county tax or other purposes, that Lot owner remains responsible for payment of Assessments on the Lots as they are currently plotted in the Consolidated, Amended and Restated Declarations of Covenants, Conditions and Restrictions recorded in the Official Public Records of Travis County, Texas on March 13, 2019, as amended. **Each Lot, regardless of whether or not that Lot has been subsequently combined, consolidated and/or replatted, is responsible for payment of Assessments in accordance with the identification of that Lot on the Plat for the Subdivision.** For example, if an owner buys five (5) Lots and combines them into one (1) lot via a recorded replat, that owner is still obligated to pay five (5) assessments, because the Lot was identified as five (5) Lots on the original Plat for the Subdivision.

Such a payment obligation is customary in the property owners' association housing model, as it ensures fairness and equality among Lot owners and their contributions to the financial success of the Association. In fact, Article 5, Section 5.8 of the Restrictions entitled "Equality of Assessments and Charges" provides as such, as it specifically provides that Assessments payable by each Lot are determined by dividing the total Assessment by the total number of Lots in the Subdivision.

Sincerely,

STEPHENS & JOHNSON PLLC

Lisah K. Burton, Member

Wm. Viggins • Ohio • Kentucky • Pennsylvania • Texas • Colorado • Oklahoma

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Committee Updates

Cottage and Villa Committee

- Pat Trojanowsky discussed it had been pretty quiet
- He provided an update on several items listed below

Cottage and Villa Committee

The Mission of the Committee

Create a Voice for the Cottage and Villa Community to enable the POA Board to listen to suggestions and concerns and work towards ensuring the highest quality of life for these owners

- Well, it's been sort of a "quite 3 months", during this 2nd quarter of 2023, especially comparing this past quarter to the past 6 quarters of updating our Cottage appearance outlook
- During this second quarter of 2023, your Cottage Committee took on the chore to take the confusion out of the new billing process of billing annually, to a monthly billing process for yard maintenance and sub-metered water, used to water our lawns
- As a result, during the past 3 months, I was not smart enough to get the confusion out of "my own personal monthly billings", but those of you that have questions about the monthly billings, please feel free to contact me for help if needed
- Our other concern was, we Cottage owners were notified by the Travis County Appraisal District, our property valuations were to be substantially increased for 2023, versus the 2022 valuations for our Cottages
- Property tax valuation basis increased more than 100% for 2023 vs. 2022, and there was lots of concern and discussions among us Cottage owners, trying to decide what to do next
- I called the Travis County Appraisal District office and talked to several people, but the best information I could from them, was, that Cottage property values on Kahala Sunset Drive and the entire Lakecliff area, has risen substantially
- In the meantime, as good luck would have it, and fortunately, our Texas Governor Greg Abbott and Lieutenant Governor Dan Patrick, finally, was able to get the TEXAS PROPERTY TAX REFUND BILL approved, and the Governor signed it this past week, and if the Texas voters say OK in November, the tax relief should be effective for 2023



"TIME WILL TELL" !

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Community Engagement

- Laurie discussed all the things going on in Lakecliff – It was a Busy few months which is detailed below

Community Engagement Committee

The Mission of the Committee

Engage with the entire community to foster the positive and welcoming vision that is Lakecliff

- ✓ Multiple Outreaches to Residents on
 - ✓ Security updates
 - ✓ Irrigation updates
 - ✓ Member Directory – MANY...MANY!
 - ✓ Desert Steel Plants – A lot of Takers on this
 - ✓ Lost Dogs
- ✓ New signage at the Guard House installed
- ✓ Special Events – Celebrations!
 - ✓ Putts for Pups
 - ✓ July 4th
- ✓ Building the Lakecliff Brand every day!



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Community Engagement Committee

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Engage with the entire community to foster the positive and welcoming vision that is Lakecliff



HIGHLAND LAKES
Canine Rescue



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Community Engagement Committee

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Engage with the entire community to foster the positive and welcoming vision that is Lakecliff



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Community Engagement Committee

The Mission of the Committee

Engage with the entire community to foster the positive and welcoming vision that is Lakecliff



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ACC

- Steve gave an update on construction
- Seen considerable slowing in home construction
- Areas of focus are Occupancy Certification, violation letters and impact of construction on the community

ACC

Construction Activity

- 11 Homes under construction, 5 are Spec Homes
- 7 Specs complete and for sale
- 4 new starts by lot owner being planned in next 6 months

Observations

- Beginning a 2 phase Certificate of Occupancy review to expedite the process
- Beginning to send violation letters when appropriate
- Some renovations being started without ACC approval, but homeowners have been responsive to stop and obtain approvals
- Some outdoor lighting not compliant with Dark Skies policies
- Construction Traffic affecting roads



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Homeowners Forum

- Mike asked for any question or comments by the people in attendance
- Multiple questions answered throughout the session

Adjourn

- Dan made a motion to Adjourn, seconded and the Meeting concluded
- Meeting adjourned at 11:50 AM