

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2B

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The Board of Directors of Lakeside Water Control and Improvement District No. 2B (“District” or “Lakeside WCID No. 2B”) met in regular session, open to the public, outside the boundaries of the District, at 4421 Rowe Lane, Pflugerville, Texas, at 6:00 p.m. on January 13, 2020. A copy of the notice of meeting along with associated certificates of posting are attached hereto as Exhibit “A”.

The roll was called of the members of the Board of Directors, to-wit:

Marilyn Horndt	President
Eddie Garcia	Vice President
Kenneth Whittier	Secretary/Treasurer
Jim Walker	Assistant Secretary
Terry Tuttle	Assistant Secretary

All members of the Board were present, thus constituting a quorum of the Board of Directors. Except as otherwise noted herein, all directors present voted on all matters that came before the Board. Also in attendance were Robert Tiemann and Matthew Tiemann of Rowe Lane Development, Ltd.; Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones Engineering, Inc.; John Barganski of Specialized Public Finance, Inc.; David Klein, Attorney and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.; and Brad Marshall.

Director Horndt called the meeting to order and announced that a quorum of the Board was in attendance. Next, Director Horndt stated that the Board would first consider the approval of the minutes of the November 11, 2019 regular meeting. Upon motion by Director Garcia, seconded by Director Tuttle, and unanimously carried, the minutes of the November 11, 2019 regular meeting were approved, as presented.

The next item to come before the Board was to receive public comment. There were no public comments received by the Board.

Director Horndt stated that the Board would next receive a report from the District’s Engineer. Mr. Collins provided the Board with a brief status report of utility construction within the Blackhawk subdivision.

Director Horndt stated that the Board would next discuss and consider action concerning pond maintenance. Mr. Collins informed the Board that Travis County had conducted a

compliance inspection at the pond located within Speidel Drive, Section 2 and had found cattails inside the pond. He noted that Travis County concluded that although the pond was found to be in overall compliance, all of the cattails needed to be removed, as they are an invasive species. Mr. Collins stated that he had informed Travis County that the Lakeside Districts had recently contracted with Scott Smith of Aquatic Features to assist in the maintenance of the ponds within the Blackhawk subdivision and that Aquatic Features had recently completed a large project to eradicate a majority of the cattails within these ponds. Mr. Collins informed the Board that according to Mr. Smith, he left 10-20% of the cattails in designated areas to act as a Phosphorus and Nitrogen filters so that algae growth did not turn into a recurring problem. He stated that according to Mr. Smith, he has been using this practice for the past 17 years in the central Texas area.

Mr. Collins confirmed to the Board that no violation had occurred and clarified with Travis County that these ponds are only detention ponds that have a permanent pool for amenity purposes and are not water quality ponds. He also mentioned to Travis County that, since this particular project was developed prior to water quality requirements being adopted by Travis County, such requirement would not be applicable to this project. Mr. Collins noted that he had informed Travis County that he was in agreement with utilizing water quality requirements that are applicable to permanent pools of water as a guidance tool for the maintenance of these ponds and that in hiring Aquatic Features, the District anticipates that this will help with the control of invasive species around the pond as well as maintaining a healthy water quality within the pond. Mr. Collins reported that Travis County was satisfied that the issue was being addressed.

The next item to come before the Board was to take action concerning the sidewalk repair along the 8-acre lake that runs parallel to Harrier Flight Trail. Mr. Collins presented a proposal submitted by Lomas Land Maintenance (“Lomas”) for the replacement of specific sections of sidewalk within the greenbelt for \$13,328.57. A copy of the Lomas proposal is attached hereto as Exhibit “B”. Mr. Collins stated that he was hoping to include this work with the master trail project, but that the situation warrants immediate attention. Mr. Collins recommended that the Board take action to approve the proposal submitted by Lomas. He stated that Lakeside WCID No. 2C (“Lakeside 2C”) will administer the project and the District will be responsible for its pro-rata share of the contract’s total price pursuant to a future cost sharing agreement between the Lakeside Districts. Upon motion by Director Tuttle, seconded by Director Garcia, and unanimously carried, the Board approved the proposal submitted by Lomas for the replacement of specific sections of sidewalk within the greenbelt along the 8-acre lake that runs parallel to Harrier Flight Trail for \$13,328.57.

Director Horndt stated that the Board would next consider action concerning a contract with Lomas for landscape maintenance of District owned facilities. Mr. Klein presented this item and noted that this agenda item was placed on the agendas for all the Lakeside Districts this month for informational purposes only, and that no action is being requested by the Board at this time. He informed the Board of possible changes with regard to the landscape maintenance contractor for the Reserve at Westcreek Owners Association (the “Reserve at Westcreek”) open spaces within Lakeside WCID No. 2D (“Lakeside 2D”), that may include property owned by Lakeside 2D. Mr. Klein informed the Board that his office was working through this process with the Lakeside 2D Board. He informed the Board that Lakeside 2C had inquired whether landscape maintenance for

land owned by each individual Lakeside District should be handled in a different manner, and suggested that perhaps landscape maintenance of District owned property should be removed from the HOA's jurisdiction moving forward. Mr. Klein noted that this would depend on how Lakeside 2D decides to address their situation with the Reserve at Westcreek. Mr. Klein stated that more information would be forthcoming after Lakeside 2D and 2C meet this month to consider the issue.

The next item to come before the Board was to consider action concerning refunding of bonds. Mr. Barganski addressed the Board noting that he saw an opportunity to realize debt service savings in the current market through a refunding of the District's Unlimited Tax Bonds, Series 2007. Mr. Barganski stated that he had prepared an analysis for the Board's consideration, a copy of which is attached hereto as Exhibit "B". Mr. Barganski informed the Board that any potential savings generated by the refunding transaction would vary as interest rates fluctuate. He noted that utilizing interest rates as of January 8, 2020 produced reduced total savings to the District, net of all costs of issuance, of approximately \$5,100 per year. Mr. Barganski noted that the costs of issuance included costs for bond counsel, financial advisor, bond insurance, underwriter, bond rating, offering document printing, paying agent, notice of redemption, and a fee to the attorney general. He cautioned that total costs to the District may increase or decrease at the time of pricing. After discussion, Mr. Barganski stated that an agreement outlining the parameters under which the District's consultants would proceed with a refunding could be drafted for the Board's consideration at its next meeting. He stated that specific parameters, including a savings threshold requirement, could be established to address any concerns of the Board. After discussion, it was the consensus of the Board that the District's consultants be authorized to prepare the necessary offering documents for consideration by the Board at its next meeting in anticipation of authorizing the District's consultants to proceed with a refunding of the District's Series 2007 Bonds.

Director Horndt stated that the Board would next receive recreational facilities reports and take action as necessary concerning the same, including but not limited to, maintenance and/or improvements related to existing recreational facilities. Mr. Monzingo presented recreational facilities reports from the Associations operating the District's recreational facilities, copies of which are attached hereto as Exhibit "C". Mr. Monzingo noted that the report from the Reserve at Westcreek was not provided in time for inclusion in the meeting materials provided to the Board. Mr. Monzingo noted that the reports provided brief updates on the status of current projects and contained no requests for action by the Board.

Next, Mr. Collins stated that according to the HOA, Lomas had recently hired an employee that is a certified arborist, licensed chemical applicator, and licensed irrigator and recommended the Lakeside District consider a proposal to improve turf conditions within the greenbelts based on existing well water and soil sample analysis. He stated that Lomas would like to present its proposal at the Board's next meeting. He stated that Lomas' quote for this work is \$26,678 for 2020.

Director Horndt stated that the Board would next consider action concerning a funding request from the HOA. Mr. Monzingo presented the HOA's request, a copy of which is attached hereto as Exhibit "D". He noted that the HOA spent \$52,363 more in District related expenditures than was budgeted with the majority of monies spent in connection with masonry fence repairs

and landscape maintenance activities. Mr. Monzingo noted that the District's share of the \$52,363 amount came to \$9,236. After discussion, Mr. Monzingo stated that it was brought to his attention that the masonry fence repairs were to be divided equally between Lakeside 2C and the HOA under a separate cost sharing agreement. After discussion, Mr. Monzingo suggested that the Board take action to approve the HOA's funding request, subject to his reconciliation of the payments made in connection with the masonry fence repairs, pursuant to a cost sharing agreement for the project. Upon motion by Director Garcia, seconded by Director Tuttle, and unanimously carried, the Board approved the HOA's funding request, subject to reconciliation by Mr. Monzingo of the payments made in connection with the masonry fence repairs. Mr. Monzingo noted that should the amount owed by the District change, he would bring the item back to the Board for consideration.

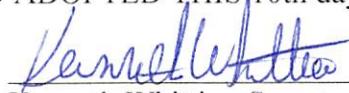
Director Horndt stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of invoices paid since the Board last met in November of 2019 and current invoices to be paid, a copy of which is attached hereto as Exhibit "E". Mr. Monzingo noted that a request for an account transfer of funds from the District's Money Market Account to the District's General Fund listed on his report was not necessary at this time. Mr. Monzingo requested that the Board authorize the transfer of \$543,001.08 from the District's General Fund to the District's Debt Service Fund and a transfer of \$450,000 from the District's General fund to the District's Money Market Account. After discussion, upon motion by Director Tuttle, seconded by Director Garcia, and unanimously carried, the Board approved the payment of invoices and money transfers, as recommended.

Director Horndt stated that the Board would next receive announcements or requests for items at the Board's next meeting. Mr. Robert Tiemann addressed the Board and introduced Brad Marshall, formally with Amenity Solutions. Mr. Robert Tiemann noted that upon recommendation from the Lakeside Amenity Center Subcommittees, the Lakeside District participants in the project determined that it would not take action to hire Mr. Marshall to manage the project due to certain conflicts of interest that were present at the time. Mr. Robert Tiemann suggested that the Board reconsider its position and requested that Mr. Marshall be hired to manage the project on the District's behalf and noted that the conflicts that arose during Mr. Marshall's initial consideration by the Lakeside Amenity Center Subcommittees had been resolved. After discussion, the Board recognized Mr. Marshall, who provided the Board with a brief summary of his background and qualifications for the Board's consideration.

Mr. Klein noted that although the Lakeside Amenity Center Subcommittees determined that a consultant hired to oversee the project and act as a filter to determine whether information being provided by the project's other consultants was accurate, consistent, and appropriate was a sound idea, but it was the consensus of the Amenity Center Subcommittees that the need for such a consultant was not immediate at the time and stage of the project, but may be needed at some point in the future. He noted that now that the project is at a point where the engagement of consultants for architect, mechanical, electrical, plumbing and structural engineering services; landscaping architectural services; and engineering and surveying services related to the project had been entered into, the time may be right to engage a consultant to manage the project on the District's behalf. Mr. Klein recommended that Mr. Marshall provide a proposal for review and consideration.

After discussion, there being no further business, and upon motion made by Director Walker, seconded by Director Whittier, and unanimously carried, the meeting was adjourned at 6:30 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 10th day of February, 2020.



Kenneth Whittier, Secretary

(SEAL)