

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF TRAVIS

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 February 10, 2020. A copy of the notice of meeting along with associated certificates of posting are attached 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, all directors present voted on all matters that came before the Board. Also in attendance were Robert 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.; Bob West of West, Davis & Company; Clayton Chandler of McCall Parkhurst & Horton LLP; David Klein, Attorney and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.; and Ben McLellan and Kyle Foreman of Lomas Land Maintenance, LLC.

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 January 13, 2020 regular meeting. Upon motion by Director Whittier, seconded by Director Tuttle, and unanimously carried, the minutes of the January 13, 2020 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.

The next item to come before the Board was to consider the approval of the audit of the District's financial records for the period ending September 30, 2019. Mr. West reviewed with the Board a copy of his audit report, noting that he was rendering an unqualified clean opinion of the District's financial records. A copy of the audit report is attached thereto as Exhibit "B". After discussion, upon motion by Director Garcia, seconded by Director Tuttle, and unanimously carried, the Board approved the audit of the District's financial records for the period ending September 30, 2019, as presented.

Director Horndt stated that the Board would next consider action regarding the issuance of Lakeside Water Control and Improvement District No. 2B not to exceed \$1,500,000 Unlimited Tax Refunding Bonds, Series 2020 (the "Bonds"), including but not limited to:

- Approval of a Preliminary Official Statement;
- Consideration and action regarding a Resolution Authorizing the Issuance of Lakeside Water Control and Improvement District No. 2B Unlimited Tax Refunding Bonds, Series 2020; Authorizing Execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Agreement and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Containing Other Provisions Relating to the Issuance of the Bonds;
- Authorize designation of an Underwriter;
- Authorize designation of a Pricing Officers and Alternate Pricing Officer;
- Authorize payment of the Attorney General Bond Review Fee; and
- Authorize other actions necessary, appropriate or convenient regarding the issuance, sale and delivery of the Bonds.

Mr. Barganski provided the Board with an analysis on the refunding of the District's Unlimited Tax Bonds, Series 2007. A copy of Mr. Barganski's analysis is attached as Exhibit "C". Mr. Barganski informed the Board that utilizing interest rates as of February 5, 2020 produced reduced total savings to the District, net of all costs of issuance, of approximately \$7,700 per year. Mr. Barganski informed the Board that any potential savings generated by the refunding transaction would vary as interest rates fluctuate, and cautioned that total costs to the District may increase or decrease at the time of pricing.

Mr. Barganski reviewed with the Board a copy of the Preliminary Official Statement, a copy of which is attached as Exhibit "D". He noted that the preliminary value had been determined to be \$1,355,000 with a proposed repayment structure that starts in the year 2020 and runs through 2033. Mr. Barganski stated this issue will not extend the length of payback period of the District's existing debt, but will be replacing existing debt with new debt at a lower interest rate. He noted that underwriting information has been left blank and the selection of the Underwriter will be discussed and determined later this evening. Mr. Barganski continued to review with the Board the Preliminary Official Statement Summary that highlights and summarizes (i) the contents of the document, beginning with financing information, which provides information related to the District; (ii) information related to the status of development within the District, and (iii) information related to the developers within the District. Mr. Barganski reviewed with the Board additional information within the document related to the District and the District's management, and he requested that the Board review information related to each individual director to verify that names are spelled correctly and information pertaining to each director is accurate.

Next, Mr. Chandler reviewed with the Board a copy of the Resolution Authorizing the Issuance of Lakeside Water Control and Improvement District No. 2B Unlimited Tax Refunding Bonds, Series 2020; Authorizing Execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Agreement and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Containing Other Provisions Relating to the Issuance of the Bonds, a copy of which is attached as Exhibit "E". Mr. Chandler apologized to the Board for not providing the document in time to be included in the Board's meeting materials. Mr. Chandler noted that the Bond Resolution presented for consideration by the Board requires that a "Pricing Officer" be designated by the Board, who may act on behalf of the District in selling and delivering the bonds under specific parameters, as outlined in the Bond Resolution. Mr. Chandler noted that typically the Board President is designated as the "Pricing Officer" with the Board Secretary designated as the alternate.

Mr. Barganski explained that the refunding will be a negotiated bond sale which is a method of offering municipal bonds or similar financial instruments in which the issuing entity and a selected underwriter negotiate the terms of the issue, as opposed to having multiple underwriting groups competitively bidding on the issue to establish its terms. He stated this negotiation would be conducted understanding that certain parameters be met such as present value savings of no less than 3%, among others. After discussion, it was the consensus of the Board that the Board President be designated as the "Pricing Officer" with the Board Secretary designated as the alternate. Mr. Barganski stated that he did not yet have a buyer for the District's Refunding Bonds, but suggested that he be authorized to contact certain underwriters who have shown interest in the District's Refunding Bonds. He informed the Board that HilltopSecurities had contacted him with interest in the District's Refunding Bonds. After discussion, it was the consensus of the Board that Mr. Barganski be authorized to contact HilltopSecurities and gauge their interest in the District's Refunding Bonds.

Next, Mr. Barganski requested that the Board authorize payment of the Attorney General Bond Review Fee, which equals 1% of the Bond Issue size, which will not be known until pricing. He requested that the District's Bookkeeper be authorized to issue a check in the appropriate amount once that amount is known. Finally, Mr. Barganski noted that the last item for the Board's consideration is to authorize all other action necessary, appropriate or convenient regarding the issuance, sale and delivery of the Bonds by the District's consultants. After further discussion, upon motion by Director Garcia, seconded by Director Tuttle, and unanimously carried, the Board approved the Preliminary Official Statement; the Resolution Authorizing the Issuance of Lakeside Water Control and Improvement District No. 2B Unlimited Tax Refunding Bonds, Series 2020; the Execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Agreement and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; Containing Other Provisions Relating to the Issuance of the Bonds, including the designation of Director Horndt as "Pricing Officer" and Director Whittier as the alternate; payment of the Attorney General Bond Review Fee; and other actions necessary, appropriate or convenient regarding the issuance, sale and delivery of the Bonds.

Director Horndt stated that the Board would next receive recreational facilities reports and take action concerning the same, including but not limited to, maintenance and/or improvements related to existing recreational facilities, including a proposal from Lomas for turf improvement,

nutrition, and weed control plan. Mr. Monzingo presented recreational facilities reports from the Associations operating the District's recreational facilities, copies of which are attached as Exhibit "F". Mr. Monzingo noted that the report from the Reserve at Westcreek Owners Association, Inc. (the "Reserve at Westcreek") was not provided in time to include 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. Mr. Monzingo informed the Board that the Reserve at Westcreek provided their end-of-year financials, which indicated that they ended their year with a surplus of approximately \$97,000, and that such surplus should be applied to the District's contribution to the Reserve at Westcreek for 2020.

Next, the Board recognized Mr. McLellan and Mr. Foreman, who presented their proposal for a turf improvement, nutrition and weed control plan for \$26,678 based on existing well water and soil analyses. Mr. Collins pointed out that the Park at Blackhawk and Lakeside HOA budgets \$10,800 for landscape maintenance, and that this project will result in a net increase of \$15,878. A copy of the Lomas proposal is attached as Exhibit "G". Mr. McLellan introduced Mr. Foreman, a certified arborist, licensed chemical applicator and licensed irrigator, who reported that water and soils analyses indicated that the water used for irrigation was rich in sodium creating an environment that hinders water and nutrient absorption, and water drainage. He provided maps of high profile areas within the Blackhawk development with highlighted areas that identify initial locations where they propose to implement their plan to determine whether their proposal for turf improvement, nutrition and weed control will improve current conditions. Mr. Foreman reported that a soils analysis indicated there was a high concentration of sodium constricting the soil, which restricts root growth and water and nutrient absorption. He noted that such conditions create shallow root zones, making the turf more susceptible to heat damage. Mr. Foreman noted that application of gypsum would boost nutrient levels, including magnesium and phosphorus, and lower pH levels. He noted that a healthy turf bed is the best weed control method and that was his number one priority. Mr. Foreman stated that no amount of herbicide application would produce positive results unless the turf is maintained properly. After discussion, Mr. Klein reiterated that the HOA budgets funds towards landscape maintenance of District owned property and suggested that should the Board agree to approve the Lomas proposal, it allow the HOA to administer this work under their engagement of Lomas for landscape management. After discussion, upon motion by Director Garcia, seconded by Director Whittier, and unanimously carried, the Board granted authority to the HOA to move forward with the Lomas proposal for a turf improvement, nutrition and weed control plan for \$26,678, as presented.

Director Horndt stated that the Board would next consider action concerning a cost share agreement for a greenbelt sidewalk replacement project. Mr. Klein presented this item. He reiterated that at the Board's last meeting, the Board approved a 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 within Lakeside WCID No. 2D for \$13,328.57. He noted that the proposed agreement, a copy of which is attached as Exhibit "H", provides for the hiring and engaging of Lomas for the above-referenced greenbelt sidewalk replacement project and for the allocation of costs to the five (5) Lakeside Districts. After discussion, upon motion by Director Garcia, seconded by Director Tuttle, and unanimously carried, the Board approved a cost share agreement for a greenbelt sidewalk replacement project.

Director Horndt stated that the Board would next consider action to adopt an order calling a Directors Election for May 2, 2020 and authorize publication of the notice of same, copies of which are attached as Exhibit "I". Mr. Klein reiterated that, in the event the Directors' Election is uncontested, the Board will follow the procedures for election of unopposed candidates established by the Texas Election Code and cancel its May 2, 2020 Directors Election. After discussion, upon motion by Director Tuttle, seconded by Director Garcia, and unanimously carried, the Board adopted an order calling a Directors Election for May 2, 2020 and authorized publication of the notice of same.

The next item to come before the Board was to authorize the execution of a joint election agreement with political subdivisions in Travis County and an election services agreement with Travis County. Mr. Klein noted that the District typically engages the services of Travis County to conduct its District Elections. Mr. Klein noted that by contracting with Travis County for election services, the District would also contract with all other political subdivisions in Travis County holding elections on May 2, 2020 under one joint election agreement with Travis County. Mr. Klein noted that no agreements are being provided at this time because until certain deadlines pass, Travis County is unsure of the political subdivisions who will ultimately engage the services of Travis County, and are unsure of the election polling places required. Mr. Klein stated that the Board would be authorizing the Board President to execute a joint election agreement with political subdivisions in Travis County and an election services agreement with Travis County, when available and should the need arise. After discussion, upon motion by Director Garcia, seconded by Director Whittier, and unanimously carried, the Board authorized the District's President to execute a joint election agreement with political subdivisions in Travis County and an election services agreement with Travis County as necessary.

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 as Exhibit "J". He noted that after further investigation, it was determined that the HOA spent \$36,928 more in District related expenditures than was budgeted. Mr. Monzingo noted that the District's share of the \$36,928 amount came to \$2,722.73. After discussion, it was the consensus of the Board that the District's portion of the HOA's funding request be approved. Mr. Monzingo noted that approval of this payment would be included in the list of invoices to be approved by the Board this evening.

Director Horndt stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of invoices, money transfers and quarterly investment report, copies of which are attached as Exhibit "L". After discussion, upon motion by Director Tuttle, seconded by Director Garcia, and unanimously carried, the Board approved the payment of invoices, money transfers and quarterly investment report, as presented.

Director Horndt stated that the Board would next receive announcements or requests for items at the Board's next meeting. Director Garcia announced that the HOA would be hosting a town hall meeting with the Travis County Sheriff's Department.

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 6:44 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 9th day of March, 2020.



Kenneth Whittier, Secretary

(SEAL)