

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

THE STATE OF TEXAS

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COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2B

The Board of Directors of Lakeside Water Control and Improvement District No. 2B (“District” or “Lakeside WCID No. 2B”) held a regular meeting, by a two-way toll-free telephonic conference call, at (877) 568-4106 and entering code 655-746-205 open to the public, on June 8, 2020, at 6:00 p.m. (in person meetings are typically held at 4421 Rowe Lane, Pflugerville, Texas). 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 participated by telephone, thus constituting a quorum of the Board of Directors. All Directors who participated by telephone voted on all matters that came before the Board. Also participating by telephone were 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.; Ken Heroy of Jones-Heroy & Associates, Inc.; David Klein and Maris Chambers, Attorneys and Fred Castro, Paralegal with Lloyd Gosselink Rochelle & Townsend, P.C.

Mr. Klein stated this meeting was being held under the Governor’s March 16, 2020 proclamation, as extended in April and May, suspending certain Texas Open Meetings Act laws in response to the current COVID-19 pandemic and statewide disaster declaration. He stated this open meeting of the Board of Directors was being recorded and the recording would be made available to the public. Mr. Klein stated that the conference call line allowed for two-way communication, and the Board would provide members of the public with the opportunity to speak, as in any normal Lakeside Water Control and Improvement District No. 2B open meeting. Mr. Klein asked that the attendees use the same courtesy as an in-person meeting and try to avoid talking over each other. He stated that the Board would announce the instances where comments from the public would be accepted.

Next, Director Horndt stated that Directors Horndt, Garcia, Whittier, Walker, and Tuttle were participating in this meeting along with the District’s consultants: Jeff Monzingo, Keith

Collins, John Barganski, Ken Heroy, David Klein, Maris Chambers, Fred Castro; and Matthew Tiemann was participating as a member of the public.

Director Horndt called the meeting to order at 6:10 p.m. and announced that a quorum of the Board was in attendance (on the call). Director Horndt stated that the Board would next take action to consider the approval of the minutes of the May 11, 2020 regular meeting. Upon motion by Director Garcia, seconded by Director Whittier, and unanimously carried, the minutes of the May 11, 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 a brief report on the status of utility construction within the Blackhawk subdivision. Next, Mr. Collins provided an update on the pedestrian trails project within the greenbelt in Lakeside WCID No. 2D. He informed the Board he was still awaiting necessary approvals from Travis County for the project to proceed. Mr. Collins stated that he had contacted the reviewer's supervisor to inquire about the delay hoping the project can move forward.

Director Horndt stated that the Board would next receive a report on water rights assessment from Ken Heroy. Mr. Klein noted that the Board had engaged the services of Jones-Heroy to assess the District's ponds to determine whether the District should obtain water rights for its ponds. The Board recognized Mr. Heroy, who presented a copy of his written opinion, attached hereto as Exhibit "B". Mr. Heroy stated that based upon Texas Water Code § 11.021 it was his opinion that the District's Lakeside at Blackhawk Section 3 pond needs to be permitted. Mr. Klein stated that he agreed with Mr. Heroy's assessment and that water rights for this pond need to be obtained. He noted this would require the District to prepare and file an application at the Texas Commission on Environmental Quality and that authorization to prepare and file such an application would be presented to the Board at a future meeting.

The next item to come before the Board was to take action concerning amending and reestablishing water and wastewater service rates, charges and tap fees, and adopting general policies with respect to the District's water, wastewater and drainage systems. Mr. Klein presented this item. Initially, Mr. Klein provided correspondence that his office had received from Manville Water Supply Corporation ("Manville"), notifying the District of an increase in Manville's capital recovery fee from \$2,800 per living unit equivalent ("LUE") to \$3,800 per LUE, effective June 1, 2020. A copy of the letter is attached hereto as Exhibit "C". Mr. Klein noted that one LUE equates to one single-family residential home and Manville's Capital Recovery Fee is a one-time fee charged when someone connects for new service. He noted that the District assesses this one-time charge paid to Manville for that new customer's pro-rata share of the cost for Manville's central facilities, like a water treatment plant, water pumps, pipelines, etc. Mr. Klein added that the District currently passes this cost through directly to the District's customers and then pays such amount to Manville. Mr. Klein presented the amended District's rate order and recommend amending the Order to increase the District's Capacity Fee from \$2,800 per LUE to \$3,800 per LUE. A copy of the order is attached hereto as Exhibit "D". After discussion, upon motion by

Director Garcia, seconded by Director Tuttle, and unanimously carried, the Board approved amending and reestablishing water and wastewater service rates, charges and tap fees, and adopting general policies with respect to the District's water, wastewater and drainage systems, as outlined in the Order.

Director Horndt stated that the Board would next receive recreational facilities reports and take action concerning the same, including but not limited to, operations, 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 "E".

Mr. Collins provided an update on the Reserve at Westcreek Amenity Center concrete floor repair and re-staining project. He reported that he could not procure a definitive opinion from a structural engineer there is, or is not, a problem with the Amenity Center's foundation without incurring substantial expense. Mr. Collins stated that he, representatives from the Reserve at Westcreek Owners Association (the "Reserve"), and preferred contractor, All-Star Concrete Coatings, met at the Amenity Center to review the condition of the floors. He stated that the concrete floors had sustained several surface cracks, but there did not appear to be any signs of settling of the foundation. He noted that they observed no surface cracks in the walls, windows, or ceiling of the facility. Mr. Collins stated that although he was not an expert in foundation repair, the cracks appeared to be superficial. Mr. Collins also reported that he contacted a Director with Lakeside WCID No. 1 familiar with this type of work, who suggested that All-Star Concrete Coatings provide an additional bid that included sealing of the repaired cracks with an epoxy sealant. He stated that All-Star Concrete Coatings supplemented their original proposal with a charge of \$2,045.93 for this additional work for a total bid of \$22,784.40. Mr. Collins recommended that the Reserve at Westcreek Owners Association move forward with this work. After discussion, Mr. Klein stated that he, in association with the Reserve, would work out the details on eliminating any taxes in All-Star Concrete Coatings' bid. He recommended that the Board authorize the Board President to work with the Reserve on how to proceed with the project.

Director Garcia inquired whether copies of the bids received for this work were included in the meeting materials provided to the Board. He expressed reservation regarding his voting on this item without seeing the backup materials. Mr. Collins stated that the Reserve had submitted copies of the three bids received for this work as a part of their Recreational Facilities Report to the Board a few months ago. He stated that he had met with representatives of All-Star Concrete Coatings and had no issues they possess the expertise to do competent work. Mr. Klein recommended that if the Board so desired, the Board authorize that the Reserve move forward with the project and direct that he, in association with the Reserve work out the details on eliminating any taxes in All-Star Concrete Coatings' bid. Director Garcia stated that he would have liked to review All-Star Concrete Coatings' bid, but did not recall receiving copies of the bids for this project in his meeting materials. Mr. Klein suggested that the Board could move that the project move forward, subject to Director Garcia's review of the bids obtained by the Reserve for this project.

Director Horndt stated that she was reviewing the bids provided by the Reserve included in the Board's meeting materials of March 9, 2020. In response to an inquiry from Director Garcia,

Director Horndt stated that bids of \$19,362 for Option 1, \$38,724 for Option 2, and \$47,022 for Option 3 were received. After discussion, Mr. Collins noted that the numbers referenced by Director Horndt were submitted by Capital Concrete Coatings. He noted that the direction from the Lakeside WCID No. 2D Board was to do more than stain and reseal the concrete floors, but also fill in the cracks and create a uniform scope of services with bids that could be compared equally. Mr. Collins noted that under the Capital Concrete Coatings the bid submitted as Option 2 would fall into this category. He noted that the bid from All-Star Concrete Coatings was for \$20,738.47. He noted that since this bid only provided for grouting of surface cracks, he requested All-Star Concrete Coatings supplement their original proposal to include sealing of the repaired cracks with an epoxy sealant. Mr. Collins stated that an additional charge of \$2,045.93 was added for this by All-Star Concrete Coatings, which increased their bid to \$22,784.40. Mr. Collins noted that the third bidder, Hard Rock Surface Pros, submitted a bid of \$15,075. He commented that Hard Rock Surface Pros bid was so low it was not considered. He noted that it was the Reserve's opinion that All-Star Concrete Coatings was the most responsive and cost-efficient bidder. Mr. Collins recommended that the Board approve the bid from All-Star Concrete Coatings, as amended. Upon motion by Director Garcia, seconded by Director Tuttle, and unanimously carried, the Board authorized Mr. Klein to work with the Board President on the use of All-Star Concrete Coatings for the Reserve at Westcreek Amenity Center concrete floor repair and re-staining project.

Next, Mr. Collins addressed an unbudgeted water well pump repair by the Park at Blackhawk and Lakeside Homeowners Association ("HOA"). He noted that the HOA was contacted by Lomas Land Maintenance concerning the need to repair and replace parts at the Blackhawk Amenity Center water well used for irrigation. Mr. Collins noted that the HOA contacted Tom Arnold Drilling, who provided estimates for the assessment of the problem and for repairs, attached to the HOA's Recreational Facility Report. He noted that the HOA authorized the repairs, as it was time sensitive and damage to landscaping due to the onset of hotter temperatures was trying to be avoided. Then, he added that the quotes totaled \$1,200 for the service call and \$18,435 for the repair. Mr. Collins next noted that the drilling company identified that the pump needed replacement, the 2-inch pipe was pitted, the well casing had developed a hole and both needed replacement. He noted that the drilling company's quote provided additional pricing with 567 feet of stainless steel pipe, which was recommended to prolong the life of the unit. He noted that upgrading to stainless steel pipe added \$8,854 plus \$700 in freight charges to the total price. Mr. Collins noted this information was being provided for information purposes only.

Next, Mr. Monzingo informed the Board that the HOA had been provided a proposal submitted by a resident for the installation of a pocket park in the greenbelt behind their home. He stated that he understood that Mr. Tiemann was looking into this project and hoped to bring this proposal back to the Lakeside Districts with more information at a later date. He stated that no action from the Board was being requested at this time.

Finally, Mr. Klein gave a report on the management of the District's recreational facilities. He first informed the Board that the Governor's most recent proclamation stated that certain facilities may be opened at reduced capacities. Mr. Klein stated the Board for Lakeside WCID No. 2A would like to be proactive in this cause and directed that a plan be generated for opening

the amenity centers in a safe, efficient manner, in accordance with the Governor's most recent proclamation. Mr. Klein noted that the HOA, the Reserve, and facility operators, in association with his office have been directed to develop a plan for opening District-owned recreational facilities in a safe, efficient manner, pursuant to the Governor's recent proclamation, including measures to properly manage capacity limits. He noted that the plan would address issues related to costs for additional and enhanced cleaning, using masks, posting of additional signage, and acknowledging risks associated with entering these facilities, among other items. Mr. Klein requested input, questions or concerns from the Board.

Director Garcia noted that he agreed with this approach. Director Whittier suggested that HOA representatives tasked with the day-to-day operations of these amenity centers be included in these discussions to insure proper implementation of guidelines determined to be necessary. After discussion, it was the consensus of the Board that the amenity centers open, subject to developing a plan by the HOA, the Reserve, and facility operators, in association with Mr. Klein's office to open District-owned recreational facilities in a safe, efficient manner, pursuant to the Governor's recent proclamation, including measures to properly manage capacity limits.

Director Horndt stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of expenditures and money transfers, a copy of which is attached hereto as Exhibit "F". He requested that the Board authorize a transfer of \$24,000 from the District's money market account to the District's checking account to pay bills. After discussion, upon motion by Director Tuttle, seconded by Director Garcia, and unanimously carried, the Board approved the payment of invoices and money transfer, as presented.

The next item to come before the Board was to consider action concerning compliance with the official security awareness training and audit requirements of Texas Government Code § 2054.5191. Ms. Chambers presented this item and thanked the Board members for completing the training and taking the test. Ms. Chambers presented a certificate certifying compliance with the cybersecurity awareness training requirements, a copy of which is attached hereto as Exhibit "G", and recommend that the Board approve the certificate. Upon motion by Garcia, seconded by Director Whittier, and unanimously carried, the Board approved a certificate of cybersecurity awareness training.

There were no announcements or requests for items at the Board's next meeting.

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 6:55 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 13th day of July, 2020.

[DISTRICT SEAL]



Kenneth Whittier, Secretary