

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

The Board of Directors of Lakeside Water Control and Improvement District No. 2C (“District” or “Lakeside WCID No. 2C”) held a regular meeting, by a two-way toll-free telephonic conference call, at [(877) 309-2073 and entering code 679-299-757] open to the public, on May 12, 2020, at 5:45 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 as Exhibit “A”.

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

David Wang	President
Scott Stratton	Vice President
Larry English	Secretary/Treasurer
Joshua Bridgefarmer	Assistant Secretary
Craig Twellmann	Assistant Secretary

All members of the Board participated by telephone, except Director Bridgefarmer, 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.; Bob West with West, Davis & Company; 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, 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 2-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. 2C 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.

Director Wang called the meeting to order at 5:47 p.m. and announced that a quorum of the Board was in attendance (on the call). Director Wang stated that the Board would next take action concerning the qualifying of newly elected directors. Mr. Klein presented this item and noted there were three (3) positions for the office of director scheduled to be voted on at the District's May 2, 2020 Director Election. He noted that only three (3) people had filed an application to have their names placed on the ballot; and therefore, only three (3) candidates' names were to be placed on the ballot. Mr. Klein noted that the only people that had filed applications with the District to have their names placed on the ballot were David Wang, Larry English, and Craig Twellmann. He noted that no person had filed a declaration of write-in candidacy for the District's May 2, 2020 Director Election. Mr. Klein noted that the Secretary of the District had certified in writing that David Wang, Larry English, and Craig Twellmann were unopposed for election to the office of director; that David Wang, Larry English, and Craig Twellmann were declared elected to serve a four-year term on the Board of Directors of the District, and the election called for May 2, 2020 was canceled by order of the Board of Directors of the District adopted on March 10, 2020. After discussion, Mr. Klein confirmed that his office was in receipt of executed Statements of Officer and Oaths of Office for David Wang, Larry English, and Craig Twellmann and declared them qualified to serve as Board members of the District.

Director Wang stated that the Board would next consider the election of new officers. Mr. Klein explained that after each director's election, the Board is required to meet and elect officers. After discussion, upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board voted to retain the current slate of officers.

The next item to come before the Board was to consider the approval of the minutes of the April 14, 2020 regular meeting and April 28, 2020 special meeting. After discussion, upon motion by Director English, and seconded by Director Twellmann, the Board unanimously approved the minutes of the April 14, 2020 regular meeting and April 28, 2020 special meeting, as presented.

The next item to come before the Board was to receive public comment. No comments from the general public were received by the Board.

Director Wang 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 informed the Board that Lakeside WCID No. 2D had awarded the contract for the Pedestrian Trails Project within the Lakeside WCID No. 2D greenbelt to JKB Construction Company, LLC, the low bidder, with a total bid amount of \$390,827.80. Finally, Mr. Collins reported that he had contacted a structural engineer to obtain guidance regarding the Reserve at Westcreek Amenity Center concrete floor repair and re-staining project to determine whether a structural analysis was warranted before having the floor resurfaced and re-stained. He stated that the structural engineer declined to provide an opinion without reviewing as-built plans and performing a structural analysis. Mr. Collins stated that the structural engineer's take on the situation was that since the cracks had been observed for some time and there did not appear to be any settling of the surrounding area or worsening of the cracks then the foundation should be stable. In the event the Board wanted a definitive answer, a detailed analysis would be required. Mr. Collins informed the Board that the Reserve at Westcreek Owners Association was

agreeable to any decision made by the Board with regard to this issue. He stated that three bids had been solicited for the Reserve at Westcreek Amenity Center concrete floor repair and re-staining project and was directed to review the proposals and make a recommendation on how to move forward at the next meeting of Lakeside WCID No 2D.

The next item to come before the Board was to take action concerning First Amendments to the following Cost Sharing Agreements (i) Cost Sharing Agreement for Channel Maintenance Project, (ii) Cost Sharing Agreement for Trail Project, and (iii) Cost Sharing Agreement for Amenity Center Design Project, copies of which are attached as Exhibit "B". Mr. Klein presented this item and noted that the Lakeside Districts have several active cost sharing agreements in place where each Lakeside District shares in the costs for projects that benefit all participating Lakeside Districts. Mr. Klein noted that the First Amendments to Cost Sharing Agreements achieve a recalibration of the percentages that each Lakeside District will pay under these Agreements. He noted that the First Amendment to the Cost Sharing Agreement for Channel Maintenance addressed the ongoing maintenance of drainage ways that include the clean out and re-grading of catch basins and stormwater inlet structures within their boundaries. Mr. Klein stated that the First Amendment to the Cost Sharing Agreement for the Trail Project called for the joint participation in the design, construction, and contract administration for three trail segments to be located within the boundaries of the District. The First Amendment to the Cost Sharing Agreement for the Amenity Center Design Project called for the joint participation in the design, engineering, and contract administration for the design of the new amenity center to be located within the boundaries of Lakeside WCID No. 2A.

Mr. Klein noted that the percentage participation by each of the Lakeside Districts in each of these Cost Sharing Agreements had been inconsistent, as they were based upon certain conditions that existed at the time each Cost Sharing Agreement was entered into. Mr. Klein stated that to insure that costs were being allocated accurately amongst the participating Lakeside Districts it was determined that the cost allocation percentages be consistent within each Agreement moving forward and would be based upon the District Engineer's Living Unit Equivalent ("LUEs") tracking spreadsheet for the full buildout of each of the participating Lakeside Districts.

Mr. Klein noted that besides amending the allocation of costs for each participating Lakeside District, the First Amendment to the Cost Share Agreement for Channel Maintenance Project would be further amended to include Lakeside WCID No. 2A to the list of participants for this Project, as development within this District had progressed to the point where it would also have drainage ways that will require ongoing maintenance. Mr. Klein recommended that the Board approve the First Amendments to the Cost Sharing Agreements, as presented. Upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board approved the above-referenced First Amendments to Cost Sharing Agreements.

Director Wang stated that the Board would next consider approval of a Resolution Authorizing Application to the Texas Commission on Environmental Quality (the "TCEQ") for Approval of the Use of Surplus Funds, a copy of which is attached as Exhibit "C". Mr. Klein presented this item noting that this item stems from the Jakes Hill Condominium Regime issue. He noted that in the bond application to reimburse the developer for costs associated with the Jakes

Hill Condominium Regime there was a request to reimburse for 25 LUEs of water service and 25 LUEs of wastewater service; however it turned out that because water was to be provided via a 4-inch master meter 25 LUEs is correct for wastewater, but the water LUE number is actually 59, thus requiring authorization from the TCEQ to reimburse the developer for an additional 34 LUE's of water service. Mr. Monzingo reported that approximately \$525,000 in surplus funds remained in the District's Capital Projects Fund to reimburse the developer. Mr. Heroy noted that a small amount of the \$525,000 remaining in surplus funds would be used for this supplemental reimbursement to the developer. He stated that it was anticipated that application to the TCEQ would be made at some point in the future for use of any remaining surplus funds. Upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board approved the above-referenced Resolution Authorizing Application to the TCEQ for Approval of the Use of Surplus Funds.

Director Wang stated that the Board would next take action concerning the engagement of West, Davis & Company to perform the audit of developer reimbursables regarding the District's Tenth District Bond Issue. Mr. West presented his firm's engagement letter, a copy of which is attached as Exhibit "D". After discussion, upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved the engagement of West, Davis & Company for the preparation of the audit of developer reimbursables regarding the District's Tenth District Bond Issue.

Director McCord stated that the Board would next take action concerning the engagement of Lloyd Gosselink Rochelle & Townsend, P.C. to provide legal services in connection with the District's Tenth District Bond Issue. Mr. Klein presented his firm's engagement letter, a copy of which is attached as Exhibit "E". He noted that his firm's engagement letter was the basis for representing the District with respect to providing general counsel services pertaining to the District's application to issue its tenth ad valorem tax bonds at the Texas Commission on Environmental Quality (the "TCEQ") and issuing such bonds. After discussion, upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board approved the engagement of Lloyd Gosselink Rochelle & Townsend, P.C. to provide legal services in connection with the District's Tenth District Bond Issue.

The next item to come before the Board was to consider a Resolution Authorizing Application to the TCEQ for Approval of Engineering Project and tenth District Bond Issue, Series 2020, a copy of which is attached as Exhibit "F". Mr. Heroy presented this item, noting this would be the District's first issuance of recreational facilities bonds. He noted that the District was limited to the issuance of \$1,500,000 in recreational facility bonds as authorized by the voters. Mr. Heroy stated that this would allow for reimbursement of the District's share of various pedestrian trail projects and most of the District's share of the Blackhawk Amenity Center. Mr. Heroy noted the proposed Resolution was the starting point for preparing the District's application and authorized filing the application with the TCEQ. After discussion, upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board approved the above-referenced Resolution.

The next item to come before the Board was to consider the approval of the supplemental audit of developer reimbursables in connection with the District's \$4,815,000 Unlimited Tax

Bonds, Series 2020. Mr. West presented this item. He noted that during his initial presentation of the audit of developer reimbursables in connection with the District's \$4,815,000 Unlimited Tax Bonds, Series 2020 certain reimbursements were withheld as conveyance of certain facilities were not ready to be properly conveyed to the District.

Next, Mr. West noted that, Mr. Klein and his firm had expended a number of hours trying to sort out these matters in order to insure and identify the appropriate entities authorized to legally convey certain utility facilities to the District. Mr. West noted that once this issue was resolved, the Board took action to approve his initial audit report related to the District's \$4,815,000 Unlimited Tax Bonds, Series 2020 however; the Board withheld the conveyance of the utility facilities associated with the Jakes Hill Condominium Regime as they were not ready to be properly conveyed to the District. He noted that once the utility facilities associated with the Jakes Hill Condominium Regime were ready to be properly conveyed to the District, the Board considered a supplemental audit report to address this reimbursement. Mr. West stated that the Board reimbursed the developer but withheld reimbursement for City of Pflugerville wastewater impact fees, as the developer had not yet made such payments due to the City of Pflugerville's refusal to take the payment.

Mr. West noted that after additional work on behalf of Mr. Klein this issue was resolved, whereby a 4-inch master meter would be used to provide utility service to the Jakes Hill Condominium Regime rather than 59 individual meters. Mr. West informed the Board that he could now verify that City of Pflugerville wastewater impact fees have been paid by the developer and the District may now reimburse the developer for \$34,050, as referenced in his firm's Supplemental Audit Report No. 2. Upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved Mr. West's supplemental audit of developer reimbursables in connection with the District's \$4,815,000 Unlimited Tax Bonds, Series 2020, a copy of which is attached hereto as Exhibit "G".

Director Wang stated that the Board would next consider issuance and delivery of the District's Series 2020 Bonds, and disbursement of bond proceeds, including accepting conveyance of facilities and real property in connection with the District's \$4,815,000 Unlimited Tax Bonds, Series 2020. Mr. Klein presented this item noting that action by the Board was needed to authorize the reimbursement of the \$34,050 to the developer as documented by Mr. West's Supplemental Audit Report and approved by the Board. Upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board authorized the disbursement of bond proceeds, pursuant to Mr. West's Supplemental Audit Report.

Mr. West noted that nothing had changed from his initial audit report previously provided to the Board. He noted that Board approval was withdrawn after being originally considered by the Board at its meeting on March 10, 2020. Mr. West noted that the delay in reimbursement was due to insuring that facilities were being property conveyed to the District and negotiating payment of wastewater impact fees with the City of Pflugerville.

Director Wang 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 and determining hours of use of recreational facilities. Mr.

Monzingo presented recreational facilities reports from the Associations operating the District's recreational facilities, copies of which are attached as Exhibit "H". Mr. Monzingo noted that the amenity centers are closed due to the COVID-19 pandemic and little was going on. He noted that the report provided by the Park at Blackhawk and Lakeside HOA included an update on work related to the water fountain replacement. He noted this project was on hold. Finally, Mr. Monzingo noted that the HOA's report included an expenditure of \$1,320 due to the installation of a safety rail at Eire Drive.

Next, Mr. Klein informed the Board that consideration of hours of use of recreational facilities was placed on the Board's agenda, given a call received from the Reserve at Westcreek Owners Association (the "Reserve") who had experienced problems with people playing basketball until late at night, sometimes until 2:00 a.m. Mr. Klein stated that the Reserve was seeking guidance regarding establishing hours of operation for the basketball court and with placing signage at the basketball court displaying hours of use of the facilities. Mr. Klein informed the Board that suggestions offered by Lakeside WCID Nos. 2A, 2B, and 2D included (i) putting any lights at the basketball court on timers to limit use of the facility at night; (ii) posting signage that displayed reasonable hours of operation; (iii) removal of basketball goals; and (iv) taking no action in connection with the hiring of peace officers at this time, but reaching out to the Travis County Constable's Office so see how they might assist the District. Mr. Klein noted that the Reserve had placed calls to the Travis County Sherriff's Office, who proved to be difficult to work with and informed the Reserve that calls of this nature were of low priority. Mr. Klein noted that the Board for Lakeside WCID No. 2D were contemplating a long-term solution to this situation that may include enclosing the basketball court with keycard access. After discussion, Director English suggested that the basketball goals be removed and stated that he was against enclosing the facility. Director Wang agreed with Director English but added that lights at the basketball court should be turned off at night. After discussion, Mr. Klein stated that he would convey the Board's suggestions to the Reserve and the Boards of the other Lakeside Districts.

Director Wang stated that the Board would next consider the engagement of a peace officer. Mr. Klein stated that the Reserve had inquired what options they had if people are out playing basketball past the posted hours of operation. He stated that he was informed by the Reserve that previous calls to the City of Pflugerville Police Department had resulted in inaction because the District is not within the corporate limits of the City. Mr. Klein stated that typically the hiring of a peace officer would entail the hiring of off-duty police officers to patrol the District. Mr. Klein noted that in the meeting materials provided to the Board, a copy of the Texas statute related to the District's use of peace officers was provided for the Board's review, a copy of which is attached as Exhibit "H". He did note however, that he was not seeking Board action regarding the hiring of a peace officer at this time, but wanted to flag this issue for the Board. Mr. Klein noted that none of the other Lakeside District Boards were in favor of this option and instead suggested that the Reserve reach out to Travis County law enforcement as they already had a presence within the Blackhawk community as Travis County law enforcement maintains an office at the Blackhawk Amenity Center, which they use to accommodate shift changes. After discussion, it was the consensus of the Board that no action in connection with the engagement of a peace officer take place at this time.

Director Wang stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of expenditures made after the Board last met, a list of current invoices, money transfers, and the District's Quarterly Investment Report, copies of which is attached as Exhibit "I". Mr. Monzingo requested that the Board void Check No. 3453, payable to Director Bridgefarmer, due to his absence from the meeting. He noted that Check No. 3449 had been issued since the Board's last meeting, payable to the Department of Treasury for payroll taxes for \$275.40. After discussion, upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board approved the payment of invoices, money transfers, and the District's Quarterly Investment Report, as amended.

The next item to come before the Board was to receive a report regarding compliance with Cybersecurity Awareness Training pursuant to House Bill 3834 from the 2019 Legislative Session. Ms. Chambers presented this item. She reiterated that elected officials such as members of the Board are now required to complete an annual cybersecurity awareness training course approved by the Texas Department of Information Resources ("DIR"). Ms. Chambers noted that the deadline for each director to complete the training is June 14th, and the District must report each Board member's compliance to DIR by June 15th. She stated that to meet those deadlines, She would be sending out an instructional email to the Board requesting that each Board member complete a recommended DIR-approved cybersecurity awareness course before the District's next Board meeting, in June. She noted that doing so would allow the Board to confirm that training had been properly completed, and would allow the District to meet the deadline to certify compliance to the DIR.

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 English, seconded by Director Twellmann, and unanimously carried, the meeting was adjourned at 6:33 p.m. until further call.

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

  
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Larry English, Secretary

[DISTRICT SEAL]