

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

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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 671-306-781, open to the public, on July 14, 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 hereto 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, 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 Robert Tiemann and Matthew Tiemann of Rowe Lane Development, Ltd.; Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones Engineering, Inc.; Bob West of West, Davis & Company; David Klein and Maris Chambers, Attorneys, and Fred Castro, Paralegal, with Lloyd Gosselink Rochelle & Townsend, P.C.; Lisa Riera, Board Member, Reserve at Westcreek Owners Association, Inc.; and Brad Marshall.

Mr. Klein stated this meeting was being held under the Governor’s March 16, 2020 proclamation, as extended, 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 was toll-free and allowed for two-way communication, and the Board would provide members of the public with the opportunity to participate, 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 consider the approval of the minutes of the June 9, 2020 regular meeting. After discussion, upon motion by Director Twellmann, and seconded by Director Stratton, the Board unanimously approved the minutes of the June 9, 2020 regular 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 reiterated his efforts to obtain necessary approvals from Travis County in connection with the pedestrian trails project within the greenbelt in Lakeside WCID No. 2D. Mr. Collins stated that he hoped to hear from the County soon so that he could get the necessary approvals so that the project could move forward.

Director Wang stated that the Board would next consider taking action as necessary concerning the approval of the audit of developer reimbursables for the Use of Surplus Bond Funds from the Series 2020 Bond Proceeds. Mr. West presented a copy of his audit report, a copy of which is attached hereto as Exhibit "B". Mr. West stated that his audit did not involve the disbursement of any funds by the Board this evening. He noted this audit was for a surplus funds application that was prepared by Mr. Heroy and had been approved by the Texas Commission on Environmental Quality (the "TCEQ"). In particular, Mr. West stated that the purpose of this surplus funds application was to clarify and obtain TCEQ approval of reimbursements that the District was obligated to pay to the developer.

Specifically, Mr. West stated that this surplus bond funds application secured TCEQ approval to reimburse the developer for 34 water connection fees that the developer had paid to Manville Water Supply Corporation for water service connections within the Jakes Hill Condominium Regime. However, such TCEQ approval amounted to a ratification of the reimbursement because the District had already reimbursed the developer for such connection fees from the proceeds of the initial Series 2020 Bond Issue. He added that, for this reason, his audit report specifies that such reimbursements to the developer are valid, but that no further payments to the developer for these connection fees were necessary. Mr. West requested that the Board approve his audit report as presented. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the audit of developer reimbursables from the District's application to use surplus bond funds from its Series 2020 Bond Proceeds.

The next item to come before the Board was to consider taking action as necessary to approve/ratify the disbursement of bond proceeds in connection with the surplus bond funds from the District's Series 2020 Bond Proceeds. Mr. Klein presented this item. He stated that this item was placed on the Board's agenda to obtain formal and final approval and ratification of the disbursement of remaining bond proceeds to the developer, in connection with the District's Series 2020 Bond Issuance. He noted that the District had withheld the reimbursement of wastewater impact fees pertaining to connections within the Jakes Hill Condominium Regime until the surplus

funds application, that was the subject of Mr. West's audit, had been approved by the TCEQ. Mr. Klein recommended that now, with the surplus funds application having been approved by the TCEQ and the audit for the reimbursements having been approved by the Board, the Board should ratify the reimbursements that had been previously made for the expenditures contemplated by the surplus bond funds application and to disburse all remaining bond proceeds in connection with the District's Series 2020 Bond Issuance, in accordance with audits presented by Mr. West. Upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board ratified the reimbursements made regarding the District's Use of Surplus Bond Funds application approved by the TCEQ, and authorized the disbursement of all remaining bond proceeds in connection with the District's Series 2020 Bond Issuance, in accordance with audits presented by Mr. West.

Director Wang stated that the Board would next consider proposals to maintain the water and wastewater systems within the Jakes Hill Condominium Regime. Mr. Klein reiterated that the District is the owner of the water and wastewater infrastructure within the Jakes Hill Condominium Regime (the "Regime"), even though the facilities are downstream of the water master meter. He noted that due to this unique situation, the Regime and District had entered into a non-standard service contract, whereby the Regime has agreed to pay the District's cost to operate and maintain this infrastructure. Mr. Klein stated that part of this process includes engaging the services of a company to do that. He stated that the District's Engineer had contacted local firms that provide these types of services, in consultation with the Regime, as per the non-standard service agreement. Mr. Klein stated that Mr. Collins would next present his findings and would be requesting direction from the Board regarding which firm to negotiate with for these services.

Mr. Collins stated that the meeting materials provided to the Board included a copy of his memorandum outlining a basic scope of services that the District needed for the Jakes Hill Condominium Regime, along with copies of proposals received, copies of which are attached hereto as Exhibit "C". He noted that the scope of services included: 1) weekly water system chlorine residual checks; 2) weekly reading of the 4-inch master meter; 3) monthly dead-end water main flushing; 4) monthly bacteriological sampling (one sample); 5) monthly reports as requested by the District; and 6) 24/7 on-call for water/wastewater system emergencies and maintenance. Mr. Collins stated that he solicited proposals from three firms and that the District had received proposals from Capital Area Utility Management, LLC for \$1,250.00 per month with a schedule of hourly rates for services and equipment for work performed outside the prescribed scope of services, and a quote from Crossroads Utility Services for \$350.00 per month with a schedule of hourly rates for services and equipment for work performed outside the prescribed scope of services. He noted that a third firm that he contacted had declined to submit a proposal, due to the location of the Regime. Mr. Collins stated that the schedules of hourly rates for services and equipment for work performed outside the prescribed scope of services from both firms were mostly identical, and he suggested that the Board focus on the monthly rate bid by each firm in determining which firm to select. He stated that both firms are qualified to perform these services for the District. After discussion, Mr. Collins recommended that the Board select Crossroads Utility Services. Upon motion by Director Stratton, seconded by Director English, and unanimously carried, the Board authorized the negotiation of an agreement with Crossroads Utility Services to operate and maintain the water and wastewater infrastructure associated with the Jakes Hill Condominium Regime at \$350.00 per month.

The next item to come before the Board was to consider action in connection with the Amenity Center Project, including, but not limited to, the (i) engagement of Brad Marshall and (ii) approval of plans and specifications. Ms. Chambers presented this item. She noted that the engagement of architectural, engineering, and landscaping architectural consultants for the Project have been secured. She added that the Lakeside Amenity Center Subcommittees had reviewed the Brad Marshall proposal, attached hereto as Exhibit "D", and had recommended that the Board approve the engagement of Brad Marshall as a consultant to oversee certain aspects of the Project, serving as a liaison between the consultants and the Lakeside District participants. In this role, he would 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. She recommended that Mr. Marshall revise his proposal, dividing it into two agreements: one between Mr. Marshall and all the Lakeside District participants, and a separate agreement between Mr. Marshall and the Park at Blackhawk and Lakeside Homeowners Association (the "HOA"). Mr. Marshall stated that he agreed with Ms. Chambers's assessment of the status of negotiations. After discussion, upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved the Brad Marshall proposal, subject to splitting up the proposal into two agreements and any additional minor revisions that are approved by the Board President.

Next, Ms. Chambers stated that the Lakeside Amenity Center Subcommittees reviewed a set of architectural and site plans prepared and presented to the Subcommittees by Duke C. Garwood Architects at the Subcommittees' last meeting. She stated that the set of architectural and site plans were provided to the Board separately before tonight's meeting, copies of which are attached hereto as Exhibit "E". She stated that the Lakeside Amenity Center Subcommittees had approved these plans and recommended that the Board approve them, as presented. She noted that approval by the Board would allow the Project to obtain necessary approvals from Travis County to move the project forward. Ms. Chambers recommended that the Board approve the set of architectural and site plans as prepared and presented this evening. Mr. Matthew Tiemann stated that the developer was ready to move forward with the Project up to the start of the construction phase of the Project. After discussion, upon motion by Director Twellmann, seconded by Director Stratton, and unanimously carried, the Board approved the set of architectural and site plans, as presented and recommended.

Director Wang 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 "F". After discussion, the Board recognized Mr. Klein, who addressed the Board concerning the reopening strategy plan for District-owned recreational facilities. Mr. Klein reiterated that at its last meeting, the Board directed his office to develop a reopening plan of District's amenity centers, in consultation and cooperation with the HOA, the Reserve at Westcreek Owners Association (the "Reserve"), and their respective facility operators; and that such plan open the District-owned recreational facilities in a safe, efficient manner, in accordance with applicable laws and proclamations of the Governor. In particular, they were to evaluate how to properly determine and manage capacity limits at such facilities. Mr. Klein noted that work continues by the HOA, Reserve, facility operators, and his office toward developing this

plan, and he presented the draft plan prepared by the Reserve, attached hereto as Exhibit "G". Mr. Klein suggested that the Board approve this reopening plan, subject to additional edits as approved by the Board President.

For background purposes, Mr. Klein stated that on June 26, 2020, the Governor issued Executive Order No. 28, in part permitting the opening of certain facilities at a level of 50% capacity; prohibiting outdoor gatherings outside the boundaries of a city of more than 100 people, unless otherwise authorized by the County Judge; and strongly encouraging that people should not gather in groups larger than 10 while maintaining a distance of 6-feet from others that are not in their group. He added that on July 2, 2020, the Governor issued Executive Order No. 29, which in part required that every person in the State must wear a face mask while inside commercial buildings, other buildings, spaces open to the public, or when in an outdoor public space when social distancing is not possible, subject to certain listed exceptions.

Next, Mr. Klein noted that due to the meeting schedules of the Lakeside Districts, Lakeside WCID No. 1 ("Lakeside 1") is the final District to meet each month, and that Lakeside 1 wanted to share its opinions with the rest of the Lakeside Districts. In particular, there are Lakeside 1 Board members who feel that the Districts are obligated, as governmental agencies, to have District-owned recreational facilities open and support the right of District residents to use these facilities if they so choose to do so. He noted that the Lakeside 1 Board also believes that social distancing is a civic duty and implementing such safety measures are necessary.

Again, Mr. Klein suggested that the proposed reopening plan be approved, subject to additional edits and approval of the same by the Board President. He noted that feedback received from Lakeside WCID Nos. 2A, 2B, and 2D, the HOA, and Reserve included concerns as to whether the amenity centers should accept requests for holding events at this time. He noted that the amenity center operators have expressed concern over their ability to safely reopen the amenity centers for hosting events, as it would be difficult for the operators of the amenity centers to maintain a clean and safe environment- especially when there is more than one event scheduled per day. Ultimately, the HOA and Reserve recommended that amenity center staff deny requests for the use of the amenity center for events until the end of the swimming pool season. Mr. Klein stated that the other Lakeside Districts agreed, and he added that holding events would likely violate the Governor's recent Proclamation, given that there would likely be more than 10 individuals at any event. He stated that the reopening plan accomplishes the goal of reopening District-owned recreational facilities; maintains signage within and outside of its facilities; provides for proper sanitation; and includes measures to properly manage and enforce capacity limits.

In response to an inquiry from Director Twellmann, Mr. Klein stated that the plan would be revised to include (i) provisions foregoing the holding of events at the Amenity Centers until the end of swimming pool season, unless otherwise directed by the Lakeside Districts; (ii) an introduction that lays out the history of the Executive Orders issued by the Governor and the current status of applicable laws, to keep the residents aware of why certain decisions are being made regarding the use of the District's recreational facilities and enforcement provisions for violations; and (iii) enforcement provisions. After discussion, upon motion by Director Stratton,

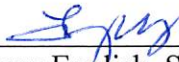
seconded by Director English, and unanimously carried, the Board approved the reopening plan, subject to additional edits as approved by the Board President.

Director Wang stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of current invoices, a copy of which is attached hereto as Exhibit "H". Mr. Monzingo noted that a payment was made after last month's Board meeting to the Travis Central Appraisal District for \$2,551.86. He requested that the Board authorize the transfer of \$15,000 from the District's money market account to the District checking account to pay bills this month. After discussion, upon motion by Director Twellmann, seconded by Director Bridgefarmer, and unanimously carried, the Board approved the payment of invoices and money transfers, as presented.

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 Stratton, seconded by Director Twellmann, and unanimously carried, the meeting was adjourned at 6:43 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 11th day of August, 2020.

  
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Larry English, Secretary

[DISTRICT SEAL]