

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. 2C

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On August 11, 2020, at 5:45 p.m., as authorized by the March 16, 2020 proclamation by the Office of the Governor, as extended, suspending certain provisions of the Texas Open Meetings Act in response to the COVID-19 public health threat, the Board of Directors of Lakeside Water Control and Improvement District No. 2C (“District” or “Lakeside WCID No. 2C”) held a regular meeting, open to the public, by a two-way, toll-free telephonic conference call accessible by dialing (877) 309-2073, then entering access code 834-101-717 (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, 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.; John Barganski of Specialized Public Finance, Inc.; Bob West of West, Davis & Company; Ken Heroy of Jones-Heroy & Associates, Inc.; David Klein and Maris Chambers, Attorneys, and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.

Mr. Klein stated this meeting was being held under the authority of 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, in compliance therewith, and the recording would be made available to the public. Mr. Klein also stated that the Board would provide members of the public with the opportunity to participate, as in any normal Lakeside WCID No. 2C open meeting, explaining that participation via the noticed telephone number was toll-free and allowed for two-way communication. Mr. Klein asked that the attendees refrain from interrupting each other and use the same courtesy as they would during an in-person meeting, stating that the Board would announce the instances where comments from the public would be accepted.

Director Stratton called the meeting to order at 5:50 p.m. and announced that a quorum of the Board was in attendance (on the call). Director Stratton stated that the Board would next consider the approval of the minutes of the July 14, 2020 regular meeting. After discussion, upon motion by Director English, and seconded by Director Twellmann, the Board unanimously approved the minutes of the July 14, 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 Stratton 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 reported that he had received comments from Travis County personnel in connection with the pedestrian trails project within the greenbelt in Lakeside WCID No. 2D and that he had responded accordingly.

The next item to come before the Board was to consider the approval of Pay Estimate No. 7 for Lakeside at Blackhawk III, Phase 4 – Street Excavation and Drainage, Water, Wastewater, and Erosion Control Improvements, submitted by Patin Construction, L.L.C. Mr. Collins presented this item. A copy of the District Engineer's letter of recommendation and Pay Estimate are attached hereto as Exhibit "B". After discussion, upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board approved the above-referenced Pay Estimate.

The next item to come before the Board was to tack action concerning an agreement with Crossroads Utility Services to maintain the war and wastewater systems within the Jakes Hill Condominium Regime. Mr. Klein presented this item and noted that negotiations were ongoing and anticipated that an agreement would be presented for the Board's consideration at its next meeting.

Director Stratton stated that the Board would next consider a Resolution Authorizing Application to the Texas Commission on Environmental Quality (the "TCEQ") for approving the use of Surplus Funds. At this time, Director Wang called into the meeting and participated in the rest of the meeting. Mr. Heroy presented this item and stated that the District's Application requests TCEQ approval for the use of surplus bond funds from the District's capital projects fund to reimburse the developer for a portion of the costs associated with projects not yet identified. Mr. Monzingo stated that \$53,823 of the surplus funds are from the District's Series 2019 Unlimited Tax Bonds and \$505,112 are from the District's Series 2020 Unlimited Tax Bonds. Mr. Heroy requested that the Board approve the Resolution, a copy of which is attached hereto as Exhibit "C", subject to identification of the projects for which the developer is to be reimbursed. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the Resolution Authorizing Application to the TCEQ for approving the use of Surplus Funds, subject to identification of the projects for which the developer is to be reimbursed.

Director Stratton 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 "D". In response to an inquiry from Director Wang, Mr. Collins provided information as to the proposed location of a pocket type park proposed by a resident behind the property at 20613 Pinewalk Drive. Mr. Tiemann confirmed that the HOA had been notified that the Lakeside Districts had taken no action in connection with this issue. He stated that generation of a set of engineering plans will be required for this project and the plan was to allow Mr. Collins to concentrate his efforts regarding the submission of the site plan from the proposed amenity center before turning his attention to this pocket park project. Mr. Tiemann noted that the generation of a set of engineering plans would affect the cost associated with this pocket park project, which would need to be addressed by the Lakeside Districts Amenity Center Subcommittees to determine the viability of such a project.

Director Stratton stated that the Board would next consider the adoption of a resolution amending the 2019-2020 District Budget. Mr. Monzingo requested that the Board postpone action in connection with this item until the Board's next meeting to provide him an opportunity to review the current budget and identify the expenditure categories needing adjustment. The Board tabled this item until the Board's next meeting.

The next item to come before the Board was to consider a preliminary budget for the 2020-2021 fiscal year. Mr. Monzingo presented copies of a preliminary budget, a copy of which is attached hereto as Exhibit "E". Mr. Monzingo noted that his preliminary budget was based upon Mr. Barganski's tax rate analysis that the Board set its debt service tax rate at \$0.665 per \$100 of assessed valuation based upon a 2020 Certified Estimate of Appraised Values Travis Central Appraisal District ("TCAD"), a copy of which is attached hereto as Exhibit "F". Mr. Monzingo noted that should the Board desire to leave the District's overall tax rate unchanged from last year, a debt service tax rate of \$0.665 would leave \$0.305 cents available for an operations and maintenance tax. Mr. Monzingo noted that his preliminary budget was provided for discussion and noted that the Board would be asked to adopt a final budget at its next meeting. After discussion, Mr. Monzingo requested that Board members contact his office if they had questions about the budget before the Board's next meeting.

The next item to come before the Board was to receive a report and consider action concerning a proposed tax rate for 2020, including scheduling a public hearing on a proposed tax rate. The Board recognized Mr. Barganski, who reviewed with the Board a copy of his tax rate analysis, a copy of which is attached hereto as Exhibit "G". Mr. Barganski informed the Board that the District's tax rate is comprised of two components, a debt service component and an operations and maintenance component. The two combine to make up the District's total overall tax rate. Based upon his analysis and Certified Estimate of Appraised Values from TCAD, Mr. Barganski recommended that the Board consider setting its debt service tax rate at \$0.665 per \$100 of assessed valuation in the upcoming year. He noted that should the Board leave its overall tax rate at \$0.97 this would leave \$0.305 to cover the operations and maintenance portion of the District's proposed budget. He noted that the District's total overall tax rate for 2019 was \$0.97 with \$0.62 dedicated to debt service and \$0.35 dedicated solely to operations and maintenance.

Next, Mr. Klein requested that the Board consider taking action concerning a proposed tax rate for 2020, including scheduling a public hearing on a proposed tax rate. Mr. Klein suggested that the Board schedule its public hearing on a proposed tax rate, adoption of a budget for fiscal year 2020-2021, adoption of a tax rate for 2020, and amending the District's Information Form at its next regularly scheduled Board meeting to be held in September. Upon motion by Director English, seconded by Director Twellmann and unanimously carried, the Board scheduled a public hearing on a proposed tax rate of \$0.97, adoption of a budget for fiscal year 2020-2021, adoption of a tax rate for 2020, and amending the District's Information Form at its next regularly scheduled Board meeting to be held in September and authorized publication of a Notice of Public Hearing on Tax Rate.

Director Stratton stated that the Board would next consider the engagement of West, Davis & Company to audit the District's financial records for the period ending September 30, 2020. Mr. West presented a copy of his firm's engagement letter noting that the terms, conditions, and fees associated with conducting the District's audit was unchanged from the previous year. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the engagement letter, submitted by West, Davis & Company, for auditing the District's financial records for the period ending September 30, 2020, a copy of which is attached hereto as Exhibit "H".

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 and quarterly investment report, copies of which are attached hereto as Exhibit "I". Mr. Monzingo informed the Board that the District had received notice from Mr. Klein's firm of its intention to adjust hourly billing rates, effective October 1, 2020. He stated that hourly billing rates for Mr. Klein and Ms. Chambers would be increasing by \$10.00 per hour. Next, Mr. Monzingo requested that the Board void Check No. 3512, payable to Director Bridgefarmer, due to his absence from the meeting. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the payment of invoices and quarterly investment report, as amended.

The next item to come before the Board was to consider action concerning a District website, including management of same. Mr. Klein reiterated that he had discussed with the Board the requirement that political subdivisions with taxing authority post certain District information online, thus requiring the District to obtain its own website. Mr. Klein suggested that monies be budgeted by the District to account for the cost of website design and management in the range of \$5,000. He noted that Lakeside WCID No. 1 had recently updated its website and there was opportunity to enter into a cost share agreement with Lakeside WCID No. 1 to have them provide a template that could be replicated for the District's own use. Mr. Klein noted that his firm had personnel that could be utilized by the District to manage its website should the Board desire to retain his firm for this purpose. Mr. Klein stated that he understood that Mr. Matthew Tiemann and Mr. Monzingo had contacts with other firms that could provide similar services and stated that he would be happy to contact these firms and solicit proposals for such services. After discussion, it was the consensus of the Board that Mr. Klein contact the individuals recommended by Mr. Matthew Tiemann and Mr. Monzingo and request proposals for the Board's consideration.

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 Twellmann, seconded by Director English, and unanimously carried, the meeting was adjourned at 6:31 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 15th day of September, 2020.



Larry English, Secretary

[DISTRICT SEAL]