

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. 2C

On August 10, 2021, 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”) held its regular meeting, open to the public, both in person at 21100 Carries Ranch Road, Pflugerville, Texas, and via teleconference. The public was provided with a toll-free teleconference line. Copies 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 either in person or via toll-free teleconference line, thus constituting a quorum of the Board of Directors. All Directors who participated in person or by toll-free teleconference line voted on all matters that came before the Board. Also participating in-person or by videoconference were Robert Tiemann and Matthew Tiemann of Rowe Lane Development, Ltd.; Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones & Associates Engineering, Inc.; John Barganski of Specialized Public Finance, Inc.; Bob West of West, Davis & Company; David Klein, Attorney, 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 District open meeting, explaining that participation via toll-free teleconference line allowed for two-way communication.

Director Wang called the meeting to order at 5:52 p.m. After conducting a roll call, he announced that a quorum of the Board was present, with Directors Wang, Stratton, English, and Twellman participating by toll-free teleconference line. Mr. Klein stated that District consultants

who were also participating either in person or via toll-free teleconference line included Jeff Monzingo, Keith Collins, John Barganski, Bob West, David Klein, and Fred Castro. He stated that Robert Tiemann and Matthew Tiemann were participating as members of the public.

Next, Director Wang stated that the Board would consider the approval of the minutes of the July 13, 2021 regular meeting. Upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the minutes of the July 13, 2021 regular meeting were approved, as presented.

Director Wang stated that the Board would next 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 update on the status of utility construction within the Park at Blackhawk IV, Phase 9, and indicated that the contractor was making good progress. Next, Mr. Collins reported that his office had begun the design process associated with the Speidel Pond Trail Project to be located north of Speidel Drive, within the boundaries of Lakeside WCID No. 2A.

Director Wang stated that the Board would next consider the adoption of a resolution amending the 2020-2021 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 2021-2022 fiscal year. Mr. Monzingo presented copies of a preliminary budget, a copy of which is attached hereto as Exhibit "B". 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 \$0.5300 per \$100 of assessed valuation based upon a 2021 Certified Estimate of Appraised Values by the Travis Central Appraisal District ("TCAD"), a copy of which is attached hereto as Exhibit "C". Mr. Monzingo noted that a debt service tax rate of \$0.5300 would leave \$0.3980 available for an operations and maintenance tax. Mr. Monzingo stated that his office had received a revised budget for legal services from Mr. Klein's office that called for a modest increase in legal fees to the District for the coming fiscal year. Mr. Monzingo noted that his preliminary budget was provided for discussion purposes and noted that the Board would be asked to adopt a final budget at its next meeting.

The next item to come before the Board was to receive a report and consider action concerning a proposed tax rate for 2021, 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 "D". Mr. Barganski stated that the District falls under the specific category of a "Developing" district. He stated that should a "Developing" district adopt a combined debt service, operation and maintenance, and a contract tax rate that would result in the taxes on the average residence homestead increasing by more than eight percent, the qualified voters of the district by petition may require that an election be held to

determine whether to reduce the operation and maintenance tax rate to the voter-approval rate. 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 Values from TCAD and WCAD, Mr. Barganski recommended that the 2021 tax rate to be adopted by the Board be set at \$0.9280 per \$100 of assessed valuation, allocating \$0.5300 to debt service and \$0.3980 to operations and maintenance. Mr. Barganski stated that the District the annual increase in taxes for the average homeowner would be \$253.42 or an annual increase of 7.99%.

Next, Director Wang stated that the Board would consider taking action concerning a proposed tax rate for 2021, 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 of \$0.9280, adoption of a budget for the fiscal year 2021-2022, adoption of a tax rate for 2021, and amendment of the District's Information Form at its next regularly scheduled Board meeting to be held on September 14, 2021. Upon motion by Director Stratton, seconded by Director English and unanimously carried, the Board scheduled a public hearing on a proposed tax rate, adoption of a budget for the fiscal year 2021-2022, adoption of a tax rate for 2021, and amendment of the District's Information Form at its next regularly scheduled Board meeting to be held on September 14, 2021, and authorized publication of a Notice of Public Hearing on Tax Rate.

Director Wang 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, 2021. 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 were unchanged from the previous year. After discussion, upon motion by Director Stratton, seconded by Director English, 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, 2021, a copy of which is attached hereto as Exhibit "E".

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 copies of the recreational facilities reports provided by Goodwin Management and Associa Hill Country, operators ("Operators") of the Park at Blackhawk and Reserve at Westcreek Amenity Centers, respectively, which are attached hereto as Exhibit "F". He stated that the reports provided updates on existing projects, and noted that the report provided by Goodwin Management indicated completion of all repairs attributed to damage sustained during Winter Storm Uri. Mr. Monzingo stated that a review of the invoices submitted by TDJ Construction, the contractor hired by Goodwin Management to address these repairs, showed a discrepancy in the amounts being charged that required clarification. He stated that he would confer with the Operator to confirm the charges.

Next, Mr. Monzingo reviewed the report provided by the Operator of the Reserve at Westcreek Amenity Center that included information related to (i) destruction of the access card reader at the basketball court; and (ii) installation of the utility shed to store trash and recycling

bins. Mr. Monzingo stated that discussions with the Operator indicated that they would be looking at the cost for the installation of security cameras at the basketball court.

Director Wang stated that the Board would next take action as necessary concerning a request from the developer for the District's participation in the construction of a boundary fence between the District and Kelly Lane WCID No. 2 ("Kelly Lane"). Mr. Matthew Tiemann presented this item and provided the Board with an update on the status of his request, that the home builders and both the District and Kelly Lane contribute to a masonry fence to be installed on Kelly Lane-owned property, along Abigail Way, near the rear of Lakeside at Blackhawk III, Section 4. Mr. Tiemann stated that he had presented his request to the Kelly Lane Board and stated that the Kelly Lane Board would require the total project cost and presentation of 3 bids for review before consideration of this project. Mr. Tiemann stated that, should the Kelly Lane Board agree to participate in this project, a cost-sharing agreement would need to be prepared for consideration by the project participants. After discussion, Mr. Klein stated that a cost-sharing agreement would be brought before the Board should Kelly Lane agree to participate in this project.

Director Wang stated that the Board would next consider the payment of invoices and the Bookkeeper's report. Mr. Monzingo distributed a list of current invoices, money transfers, Bookkeeper's report, and quarterly investment report, copies of which are attached hereto as Exhibit "G". He requested that the Board authorize the transfer of \$32,000 from the District's Money Market Account to the District's Checking Account to pay bills. Mr. Monzingo requested that the Board void Check No. 3697, payable to Director Bridgefamer, due to his absence from the meeting. Next, he requested that the Board authorize the transfer of \$4,925.56 from the District's Checking Account to the District's Debt Service Account. After discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried, the Board approved the payment of invoices, money transfers, and quarterly investment report, as amended.

The next item to come before the Board was to consider action as necessary concerning the management of the District's website. Mr. Klein stated that he had nothing new to report concerning the management of the District's website at this time.

Next, Director Wang stated that the Board would receive a report on the 2021 Legislative Session. Mr. Klein stated that now that the Regular Session of the 87th Legislature had concluded, the District would need to make adjustments to comply with the new laws enacted during this Session. He stated that of the bills relevant to the District, some were effective immediately upon the Governor's signature while others would go into effect on September 1, 2021. He stated that his firm would work to ensure the District's compliance with all applicable legislation.

The next item to come before the Board was to receive announcements or requests for items at the Board's next meeting. Mr. Klein reminded the Board that all COVID-19 related Texas Open Meetings Act suspensions allowing for remote meetings would end as of September 1, 2021, and in-person Board meetings would resume as of this date

After discussion, there being no further business, and upon motion made by Director Stratton, seconded by Director English, and unanimously carried, the meeting was adjourned until further call at 6:30 p.m.

PASSED, APPROVED, AND ADOPTED THIS 14th day of September, 2021.



Larry English, Secretary