

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 March 9, 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 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 971-967-429 (in-person meetings are typically held at 21100 Carries Ranch Road, Pflugerville, Texas). 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 by telephone, except Director Bridgefarmer who arrived later in the meeting, thus constituting a quorum of the Board of Directors. All Directors who participated by telephone voted on all matters that came before the Board, except Director Bridgefarmer who was not present to vote on the meeting minutes. Also participating by telephone were Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones Engineering, Inc.; John Barganski of Specialized Public Finance, Inc.; David Klein, and Maris Chambers, Attorneys, and Fred Castro, Paralegal of Lloyd Gosselink Rochelle & Townsend, P.C.; and Stephan Vocooper, property owner.

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 then said that 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 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 Wang called the meeting to order at 5:48 p.m. and announced that a quorum of the Board was in attendance (on the call). Next, Director Wang stated that the Board would next consider the approval of the minutes of the Board's February 9, 2021 regular meeting. Upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved the minutes of the Board's February 9, 2021 regular meeting, 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 recognized Mr. Vocooper and introduced the members to the Board for Mr. Vocooper's benefit. Mr. Vocooper introduced himself to the Board and stated that he was a native Texan and Army veteran and had resided within the District for approximately 6 years. Mr. Vocooper stated that he had called Mr. Klein's office to confirm whether the District had lifted its Boil Water Notice during the recent winter storm. He noted that during his contact with Mr. Klein's office he was informed of the District's meeting and decided he would call into the meeting. Mr. Vocooper stated that one question he did have was why water treatment plants and related transmission facilities were not considered essential infrastructure that would be exempt from rolling electrical blackouts experienced throughout the area during the recent winter storm so as not to have to issue Boil Water Notices. Mr. Klein stated that the District, including Lakeside WCID Nos. 1, 2A, 2B, and 2D, receive wholesale water service from Manville Water Supply Corporation ("Manville"). He stated that Manville provides water through its water wells and surface water supply; however, the water and wastewater distribution system within the boundaries of each Lakeside District are owned by each District. Mr. Klein stated that the District does not own a water treatment plant. He stated that he did not know what specifically disrupted the water supply to the District. After discussion, Mr. Vocooper stated that he had no other questions at this time and that he would listen to the rest of the Board meeting. Mr. Klein stated that he wished to clarify that although the District owns the water and wastewater infrastructure within its boundaries, the District has no employees and has an agreement with the City of Pflugerville (the "City") to operate and maintain the District's water and wastewater infrastructure within its boundaries. Mr. Klein stated that his office is available to answer any questions residents may have and pass on those inquiries to the Board of Directors of the District; however, the best information concerning the operations related to the District's water and wastewater system will come from the City. After discussion, it was at this time that Director Bridgefarmer joined the meeting by telephone.

Next, Mr. Collins reported that a discussion with representatives from the City and Manville had been held to address service issues which arose during the recent winter storm. He explained that Manville, as the District's wholesale water provider, should notify the City any time it issues a boil water notice so that the City, as the operator of the District's water system, can communicate that notice to the District's customers. He also noted that efforts should be made to ensure that the City fulfills this requirement as the District relies upon the City to properly operate and maintain all aspects of its water system and communication with customers. Mr. Collins then expressed his belief that the City understood its responsibilities to the District and opinion that the District's website will provide a valuable resource for residents to address future service concerns.

Director Wang stated that the Board would next receive a report from the District's Engineer. Mr. Collins provided a brief update on the new amenity center project being undertaken

by the District in association with Lakeside Water Control and Improvement District Nos. 2A, 2B, and 2C. He stated that his office was waiting for the City of Pflugerville to complete fire flow testing to be able to address comments received from Travis County Emergency Services District No. 2. Next, he stated that a preconstruction meeting was scheduled within the next two weeks with the contractor for the Park at Blackhawk IV, Phase 9 located within Lakeside WCID No. 2A. Finally, Mr. Collins stated that the Pedestrian Trail Project within the greenbelt in Lakeside WCID No. 2D was complete, with a post-construction walkthrough scheduled for Thursday, March 11, 2021.

The next item to come before the Board was to discuss, consider, and take action as necessary regarding implementation of the District's Stormwater Management Plan ("SWMP") and enforcement of same, including approval of the Year 2 Annual Report, a copy of which is attached hereto as Exhibit "B". Ms. Chambers presented this item and stated that a draft version of the Annual Report was provided with the meeting materials for the Board's review and consideration. She stated that the Annual Report is to be submitted to the Texas Commission on Environmental Quality ("TCEQ") by the end of the month. Ms. Chambers next explained that the Annual Report presents information on the implementation and effectiveness of each of the stormwater pollution control measures the District had committed to complete during calendar year 2020 ("Year 2"). She stated that the Annual Report also indicated whether or not the District had met the goals set by the District's SWMP for implementation during Year 2, reporting that all such goals had been met or exceeded. Ms. Chambers then informed the Board of the stormwater-related goals that the District had committed to implement during calendar year 2021. Next, she stated that the Annual Report was being presented in draft form because the Lakeside WCID Nos. 1, 2B, 2C, and 2D Stormwater Committee had not had an opportunity to review and approve it for submission to the TCEQ, although the Stormwater Committee intended to discuss, consider, and take action on the Annual Report at its next meeting on March 24, 2021. Ms. Chambers recommended that, given the timing of the final review of the Annual Report by the Stormwater Committee, if the Board had no proposed revisions, it should consider authorizing the District's President to execute the required certification confirming the accuracy of the Annual Report, subject to its final approval by the Stormwater Committee. After discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried, the Board authorized the District's President to execute the required certification, subject to final approval of the Annual Report by the Stormwater Committee.

The next item to come before the Board was to discuss, consider, and take action concerning a Resolution Extending Interim Rate Order, a copy of which is attached hereto as Exhibit "C". Mr. Klein presented this item. He stated that in 2020, the Board adopted an order to amend its rate schedule to take into consideration the adoption of an interim rate for retail water and wastewater service through a four-inch meter for nine months. Mr. Klein stated that at the time the Board took this action it was the Board's understanding that one customer, the Jakes Hill Condominiums homeowner's association ("Jakes Hill Condominiums"), anticipated utilizing a four-inch water meter to provide at least twenty-five (25) living unit equivalents ("LUEs") of water to its residents; however, Jakes Hill Condominiums did not anticipate that the need for twenty-five (25) LUEs of water service for at least 6 to 9 months. He stated that the Board took action at the time to establish rates immediately in anticipation of such need. Mr. Klein stated that the interim rate was expiring, recommended the Board take action to extend the interim rates until June 20,

2021, while it reevaluates the anticipated need for water and wastewater LUEs required by the Jakes Hill Condominiums, and recommended that the Board approve the Resolution presented this evening. After discussion, upon motion by Director Stratton, seconded by Director Bridgefarmer, and unanimously carried, the Board adopted the above-referenced Resolution, as presented.

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 and Associa Hill Country, operators (“Operators”) of the Park at Blackhawk and Reserve at Westcreek Amenity Centers (“Amenity Centers”), respectively, which are attached hereto as Exhibit “D”. He stated that the reports provided updates on existing projects, and noted that the report concerning the Park at Blackhawk Amenity Center included information related to facility repairs undertaken in connection with damage sustained to the bathhouse restrooms as a result of the recent winter storm. In connection with the report for the Reserve at Westcreek Amenity Center, Mr. Monzingo reported that bids from JKB Construction and Urban Dirt had been obtained in connection with cement debris removal within the Lakeside WCID No. 2D greenbelt. Mr. Collins stated that this work had been awarded to JKB Construction and would be performed under a change order as part of the work JKB Construction was performing in connection with the Pedestrian Trail Project within that District.

Mr. Klein then provided additional information in connection with the effect of the winter storm on District recreational facilities, reiterating that the restrooms in the separate, small building at the Park at Blackhawk Amenity Center sustained water damage due to a ruptured water line. He also reported that his firm had reached out to the Districts’ insurance carrier to begin the claims process, noting that its adjuster was scheduled to visit the Amenity Center tomorrow morning. Next, Mr. Klein stated that he was unaware of any damage sustained at the Reserve at Westcreek Amenity Center, but informed the Board that its Operator was investigating possible damage to the landscape irrigation system.

Next, Mr. Klein reported that the Governor had issued Executive Order GA-34, rescinding the State-imposed requirements for the wearing of face masks and maximum occupancy limits for businesses and other establishments. He noted that although these State-imposed requirements had been lifted, individual business owners/operators may continue to require face coverings and/or impose occupancy limits at their facilities. Mr. Klein then stated that a copy of the Governor’s Executive Order GA-34, which is attached hereto as Exhibit “E”, was included in the Board’s meeting materials. He reminded the Board that the Districts are currently limiting the operating capacity of their two jointly-owned Amenity Centers to 50%, requiring the use of face masks, and prohibiting facility rentals. Mr. Klein then reported that, after discussing the Districts’ current COVID protocols with the Operators, they had both recommended that such protocols remain in place for the short-term in order to allow for the accommodation of staffing and cleaning requirements as well as the completion of ongoing and planned repairs. He clarified, however, that the Operators had also suggested that the COVID protocols in place at the Amenity Centers be gradually reduced, thereby giving the Districts adequate time to modify their COVID policies as needed in light of the potential effects of Spring Break travel and the rescission of the statewide mask mandate and occupancy limitations, which might cause an increase in COVID cases. It was

also noted that a gradual reopening would enable the Districts to modify their occupancy limitations and reservation policies relative to resident interest in using District recreational facilities, which might increase as more of the population becomes inoculated against COVID-19.

Next, Mr. Klein reported that the Governor had issued Executive Order GA-34 rescinding the state-imposed requirement for the wearing of face masks and operating limits for any business or other establishments. He noted that although these state-imposed requirements had been lifted individual business owners/operators may opt to continue to require face coverings and impose operating limits. Mr. Klein stated that a copy of the Governor's Executive Order GA-34 was included in the Board's meeting materials and attached hereto as Exhibit "F". He noted that the Lakeside Districts are currently limiting the operating capacity of its amenity centers to 50% operating capacity, requiring the use of face masks, and prohibiting facility rentals. Mr. Klein stated that his report was being provided to the Lakeside District Boards for discussion purposes with action to be taken on how to proceed moving forward at its April meeting. He stated that after having had discussions with the operators of the District's amenity centers they recommended continuing the use of face masks and maintaining capacity limits at 50% with a gradual increase over the summer that would also include facility rentals to accommodate staffing requirements. Mr. Klein stated that the Board President for Lakeside WCID No. 2A's initial thoughts were to open the amenity centers and ease the requirement for the wearing of face masks; however, the consensus of the Lakeside WCID No. 2A Board was to follow the recommendation from the Operators of the amenity centers and keep things as they are. He stated that the Lakeside WCID No. 2B Board also took the position of keeping the status quo until the local area's COVID-19 risk-based guidelines came down and until vaccinations become more widespread and things return to normal. Mr. Klein opened the floor for comments. Director Wang stated that if the operators of the amenity centers are not comfortable lifting mask requirements, capacity limits, and prohibition on party rentals, then the Board should follow their recommendation to require the continued use of face masks with capacity limits at 50% with a gradual increase utilizing the local area's COVID-19 risk-based guidelines as a basis for when the amenity centers should reopen at 100% capacity. After discussion, it was the consensus of the Board that no action be taken to lift existing restrictions in place at the amenity centers related to face masks, capacity limits, or party rentals at this time.

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, and Bookkeeper's report, copies of which are attached hereto as Exhibit "F". Mr. Monzingo requested that the Board transfer \$600,000 from the District's Checking Account to the District's Money Market Account to gain interest income and to transfer \$1,243,633.96 from the District's Checking Account to the District's Debt Service Account. After discussion, upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved the payment of invoices and money transfers, as presented.

The next item to come before the Board was to consider action as necessary concerning the creation of the District's website. Ms. Chambers provided a brief update and stated that, based upon conversations with the City of Pflugerville and Manville Water Supply Corporation ("Manville"), it was determined that the District should post a map of its boundaries to the website so that the public could determine whether their property was located within the District. Ms.

Chambers stated that efforts to set up a general email account to field questions from the general public were in the process of being completed. She stated that she would circulate a link to the District's website to each of the Board members after tonight's meeting. Ms. Chambers requested that the Board pass along any suggestions to refine the District's website to her.

Next, Director Wang stated that the Board would receive a report on the 2021 Legislative Session. Mr. Klein stated that the Board was provided a memorandum before this meeting, which included a listing of recently-filed legislation with the potential to impact the District. He then highlighted proposed legislation that would amend the Texas Open Meetings Act to allow governmental bodies to continue holding open and closed meetings by telephone and/or videoconference call after the expiration of the current suspensions of certain Open Meetings Act provisions in light of COVID-19.

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 Bridgefarmer, and unanimously carried, the meeting was adjourned until further call at 6:34 p.m.

PASSED, APPROVED, AND ADOPTED THIS 13th day of April, 2021.

  
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Larry English, Secretary

[DISTRICT SEAL]