

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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On June 8, 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, except Directors Wang and Bridgefarmer, 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 Engineering, Inc.; John Barganski of Specialized Public Finance, Inc.; Clayton Chandler of McCall Parkhurst & Horton; 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 Lakeside WCID No. 2C open meeting, explaining that participation via toll-free teleconference line allowed for two-way communication.

Director Stratton called the meeting to order at 5:45 p.m. After conducting a roll call, he announced that a quorum of the Board was present, with Directors Stratton, English, and

Twellmann 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, Clayton Chandler, David Klein, and Fred Castro. He stated that Robert Tiemann and Matthew Tiemann were participating as members of the public

Next, Director Stratton stated that the Board would consider the approval of the minutes of the May 11, 2021 regular meeting. Upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the minutes of the May 11, 2021 regular meeting were approved, as presented.

Director Stratton stated that the Board would next 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 stated that the construction plans for the amenity center project being undertaken by the District in association with Lakeside Water Control and Improvement District Nos. 2A, 2B, and 2D had been approved by the City of Pflugerville (the "City"), but were awaiting signature by the proper City representative(s). He stated that once the construction plans received the City's final signature, a set would be provided to Brad Marshall, the District's Project Consultant, who would assume responsibility for obtaining the necessary building permits to move forward with the project. Next, Mr. Collins provided a brief update on the status of utility construction within the Park at Blackhawk IV, Phase 9, and stated that the Pedestrian Trails Project located within the Lakeside WCID No. 2D greenbelt had been completed and was scheduled to be considered for acceptance for operation and maintenance by that Board on June 14, 2021.

Director Stratton stated that the Board would next receive a report regarding wholesale wastewater rates. Mr. Klein presented this item. He first stated that he and Maris Chambers, along with the District's Engineer, had met with representatives of the City, at the City's request, to discuss a proposed increase to the District's wholesale wastewater rates. He stated that after the meeting, representatives of the City committed to provide the District with a copy of the City's rate study for review. Mr. Klein stated that the District's legal team would review the rate study, in consultation with the District's Engineer, and then provide more information on this matter at the Board's next meeting. He stated that it was his understanding from the meeting with the City that the City hoped to raise the District's wholesale wastewater rates incrementally over the next five years and potentially implement a volumetric rate in addition to the current monthly base rate. Mr. Klein stated that the monthly base rate was the only charge currently paid by the District to the City for wholesale wastewater service and explained that the City's justification for raising its wholesale wastewater rates was the City's undertaking of numerous capital improvements. No action was taken.

The next item to come before the Board was to discuss, consider, and take action as necessary regarding an Order Amending and Reestablishing Water and Wastewater Service Rates, Charges, and Tap Fees; and Reestablishing General Policies With Respect to the District's Water, Wastewater, and Drainage Systems, a copy of which is attached hereto as Exhibit "B". Mr. Klein presented this item and stated that the proposed Order pertained to the Jakes Hill Condominiums development. He reminded the Board that the District and the City had reached an agreement that

the District would bill the Jakes Hill Condominiums development through a 4-inch meter with a total of 59 Living Unit Equivalents (“LUEs”) at full build-out. Mr. Klein stated that before this development, providing utility service through a 4-inch meter had never been contemplated. Upon recommendation from the District’s Engineer, the Board had decided to grant service to this development and assigned an initial number of connections to be served off this 4-inch meter at 12 LUEs for water service and a Fee Unit/LUE of \$8.54 equivalent for wastewater service. He stated that at the time the Board established an initial interim base rate of \$192.00. Mr. Klein stated that a year had passed since the Board established this 4-inch meter interim base rate and it was now time for the Board to set a permanent rate for service to the Jakes Hill Condominiums development as the development had progressed significantly. He stated that he, in association with the District’s Engineer, recommended an increase in the 4-inch meter base rate to 25 LUEs based upon standards established by the American Water Works Association, an international non-profit, scientific, and educational association that establishes standards that address all facets of water treatment and delivery. Mr. Collins clarified that a 4-inch meter can serve more than 25 LUEs. He stated that in this particular case, the Jakes Hill Condominiums development encompasses 59 units and a 4-inch meter is sized to cover such demand. Mr. Collins added that a 6-inch meter is equipped to serve approximately 120 LUEs. Mr. Klein stated that the City’s base rate for a 4-inch meter is \$453.22 and using this amount as a base, recommended that the Board establish a permanent 4-inch master meter base rate of \$453.22 of which \$239.72 would be paid to the City and \$213.50 would be paid to the District. Mr. Klein stated that he reconciled this proposed rate with the Professional Services Agreement Concerning the Operation, Maintenance, and Management of Water and Wastewater Facilities and Services between the District and the City and believed that this was an acceptable rate. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board adopted the above-referenced Order Amending and Reestablishing Water and Wastewater Service Rates, Charges, and Tap Fees; and Reestablishing General Policies With Respect to the District’s Water, Wastewater, and Drainage Systems to be effective as of October 1, 2021.

Director Stratton stated that the Board would next consider action regarding the issuance of Lakeside Water Control and Improvement District No. 2C not to exceed \$2,000,000 Unlimited Tax Refunding Bonds, Series 2021 (the “Bonds”), including but not limited to:

- Approval of a Preliminary Official Statement;
- Consideration and action regarding a Resolution Authorizing the Issuance of Lakeside Water Control and Improvement District No. 2C Unlimited Tax Refunding Bonds, Series 2021; Authorizing Execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Agreement and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Containing Other Provisions Relating to the Issuance of the Bonds;
- Authorization of the designation of an Underwriter;
- Authorization of the designation of a Pricing Officers and Alternate Pricing Officer;
- Authorization of payment of the Attorney General Bond Review Fee; and
- Authorization of other actions necessary, appropriate or convenient regarding the issuance, sale and delivery of the Bonds.

Mr. Barganski provided the Board with an analysis on the refunding of the District's Unlimited Tax Bonds, Series 2014. A copy of Mr. Barganski's analysis is attached as Exhibit "C". Mr. Barganski informed the Board that utilizing interest rates as of June 2, 2021 produced reduced total savings to the District, net of all costs of issuance, of approximately \$8,250 per year for a total cost savings of approximately \$132,009, resulting in a net present value savings of 6.223%. Mr. Barganski informed the Board that any potential savings generated by the refunding transaction would vary as interest rates fluctuate, and cautioned that total costs to the District may increase or decrease at the time of pricing. He inquired whether the Board wished to proceed with the proposed Bond refunding, and after discussion, it was the consensus of the Board to do so.

Mr. Barganski then reviewed the Preliminary Official Statement with the Board, a copy of which is attached as Exhibit "C". He noted that the Preliminary Official Statement contemplates a repayment structure that starts in the year 2022 and runs through 2036. Mr. Barganski stated this bond issue will not extend the length of the payback period of the District's existing debt, but will replace existing debt with new debt at a lower interest rate. He noted that the underwriting information had been left blank and the selection of the Underwriter would be discussed and determined later in the meeting. Mr. Barganski focused his review on the Preliminary Official Statement Summary that highlights and summarizes the contents of the document and the financing information included therein. He stated that the District's 2020 taxable assessed valuation is listed at \$283,711,224, with the District's 2021 estimated taxable assessed valuation listed at \$350,693,161. Mr. Barganski stated that the District's ratio of gross direct debt to 2021 taxable estimated assessed valuation is 7.14% with the District's ratio of gross debt and estimated overlapping debt to 2021 taxable estimated assessed valuation being 10.83%. He stated that the District's projected average annual debt service requirements (years 2021–2041) came to \$1,550,942, with a projected maximum annual debt service requirement (year 2022) totaling \$1,865,762.

Next, Mr. Chandler reviewed with the Board a copy of the Resolution Authorizing the Issuance of Lakeside Water Control and Improvement District No. 2C Unlimited Tax Refunding Bonds, Series 2021; Authorizing Execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Agreement and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Containing Other Provisions Relating to the Issuance of the Bonds, a copy of which is attached as Exhibit "D". Mr. Chandler noted that the Bond Resolution presented for consideration by the Board requires that a "Pricing Officer" be designated by the Board, who may act on behalf of the District in selling and delivering the Bonds under specific parameters outlined in the Bond Resolution. Mr. Chandler noted that typically the Board President is designated as the "Pricing Officer," with the Board Secretary designated as the alternate. He noted that due to the uncertainty of the availability of the Board President suggested that the Board's Vice President be designated as the "Pricing Officer".

Mr. Barganski explained that the refunding will be a negotiated bond sale, which is a method of offering municipal bonds or similar financial instruments in which the issuing entity and a selected underwriter negotiate the terms of the issue, as opposed to having multiple underwriting groups competitively bidding on the issue to establish its terms. He stated this negotiation would be conducted with an understanding that certain parameters must be met, such as present value savings of no less than 3%, among others. After discussion, it was the consensus

of the Board that the Board Vice President be designated as the “Pricing Officer” and the Board Secretary designated as the alternate.

Next, Mr. Barganski stated that he did not yet have a buyer for the District’s Refunding Bonds, but suggested that he be authorized to contact certain underwriters who have shown interest in the District’s Refunding Bonds, such as HilltopSecurities, which had already contacted him. After discussion, the Board authorized Mr. Barganski to contact HilltopSecurities and gauge their interest in the District’s Refunding Bonds.

Next, Mr. Barganski requested that the Board authorize payment of the Attorney General Bond Review Fee, which equals 1% of the Bond Issue size, meaning the amount of which will not be known until pricing. He requested that the District’s Bookkeeper be authorized to issue a check in the appropriate amount once that amount is known.

Mr. Barganski noted that the last item for the Board’s consideration is to authorize all other action necessary, appropriate or convenient regarding the issuance, sale and delivery of the Bonds by the District’s consultants. After discussion, upon motion by Director English, seconded by Director Twellmann, and unanimously carried, the Board approved the Preliminary Official Statement; the Resolution Authorizing the Issuance of Lakeside Water Control and Improvement District No. 2C Unlimited Tax Refunding Bonds, Series 2021; the Execution and Delivery of a Paying Agent/Registrar Agreement, Escrow Agreement and Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the Bonds; Containing Other Provisions Relating to the Issuance of the Bonds, including the designation of Director Stratton as “Pricing Officer” and Director English as the alternate; payment of the Attorney General Bond Review Fee; and other actions necessary, appropriate or convenient regarding the issuance, sale and delivery of the Bonds.

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 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 (“Amenity Centers”), respectively, which are attached hereto as Exhibit “E”. 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 (i) the replacement of the facility’s oven; (ii) the status of the replacement of the water fountain at the playground; and (iii) the status of repairs related to Winter Storm Uri.

Next, Mr. Monzingo reviewed the report provided by the Operator of the Reserve at Westcreek Amenity Center that included information related to the status of the basketball court improvements and shed to house trash and recycling bins that are currently stored within the Amenity Center.

Director Stratton stated that the Board would next consider the payment of invoices 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 noted that

Check No. 3664 payable to Crossroad Utilities for \$372.00 had been issued after the Board's last meeting as their invoice is typically received by the District 10 days after its regular meeting. Next, he requested that the Board authorize the transfer of \$2,674.79 from the District's Checking Account to the District's Debt Service Account. Mr. Monzingo requested that the Board void Check Nos. 3667 and 3668, payable to Directors Wang and Bridgefamer, respectively, due to their absence from the meeting. He requested that the Board add Check No. 3675, payable to the Travis Center Appraisal District for \$2,718.62 representing the District's quarterly appraisal fee. After discussion, upon motion by Director Twellmann, seconded by Director English, and unanimously carried, the Board approved the payment of invoices, and money transfers, 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 to report at this time.

Next, Director Stratton stated that the Board would receive a report on the 2021 Legislative Session. Mr. Klein provided a brief update on legislation with the potential to impact the District, including new website posting requirements; House Bill 1118, which exempts the Board members from taking the cybersecurity awareness training that was previously required; and the failure of House Bill 3253, that would have authorized boards to hold open or closed meetings by telephone conference call, videoconference call, or other similar telecommunication method for the purposes of establishing a quorum, voting, or for any other meeting purpose. He then stated that the Board should anticipate that it would be required to meet in person at its July meeting.

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 until further call at 6:31 p.m.

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



Larry English, Secretary

[District Seal]