

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 July 13, 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 Matthew Tiemann of Rowe Lane Development, Ltd.; Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins and Jessica Davis of Randall Jones & Associates Engineering, Inc.; John Barganski of Specialized Public Finance, Inc.; Maris Chambers, Attorney, and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.

Ms. Chambers 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. Ms. Chambers 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 5:45 p.m. After conducting a roll call, he announced that a quorum of the Board was present, with Directors Stratton, English, Bridgefarmer, and Twellman participating by toll-free teleconference line and Director Wang participating in

person. Ms. Chambers stated that District consultants who were also participating either in person or via toll-free teleconference line included Jeff Monzingo, Keith Collins, Jessica Davis, John Barganski, Maris Chambers, and Fred Castro. She stated that Matthew Tiemann was participating as a member of the public.

Next, Director Wang stated that the Board would consider the approval of the minutes of the June 8, 2021 regular meeting. Upon motion by Director English, seconded by Director Stratton, and unanimously carried, the minutes of the June 8, 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 stated that the previously-approved construction site plan for the amenity center project being undertaken by the District in association with Lakeside Water Control and Improvement District ("WCID") Nos. 2A, 2B, and 2D had received all necessary signatures from the City of Pflugerville (the "City") and that the project's architect was now assembling construction plans and pool design materials for submittal to the City. He then stated that he anticipated that this package would be filed within the next two weeks. Next, Mr. Collins provided a brief update on the status of utility construction within the Park at Blackhawk IV, Phase 9, and indicated that he anticipated completion of the project within the next 60 to 90 days.

Director Wang stated that the Board would next (1) receive a report regarding a proposed increase in the wholesale wastewater rates charged by the City and (2) consider action to appoint a subcommittee to consider amending the District's rates in response to the same. Ms. Chambers presented this item and distributed documentation regarding the City's proposed wastewater rate, a copy of which is attached hereto as Exhibit "B". She stated that she and Mr. David Klein, Attorney for the District, had met with representatives of the City the previous afternoon to receive further information on the proposed rate increase. Ms. Chambers then reminded the Board that she and Mr. Klein, along with the District's Engineer, had first met with representatives of the City, at the City's request, to discuss the proposed increase prior to the Board's previous meeting and that a report on that meeting had been provided at that time. She stated that the City had provided her office with a detailed spreadsheet outlining the basis for the proposed rate increase. Ms. Chambers stated that the District currently pays a monthly base rate of \$40.00 to the City for wholesale wastewater service and has done so since the early 2000s. She stated that the City is now proposing a monthly base rate of \$56.00, with projected incremental increases over each of the next 5 years, with the monthly base rate for 2026 projected to be \$68.00. After discussion, Ms. Chambers suggested that the Board consider the creation of a Utility Rate Subcommittee to work through this issue. She stated that this approach was being recommended to the Boards of Lakeside WCID Nos. 1, 2A, 2C, and 2D so that further discussions on this issue could be held to determine whether the entities' interests were aligned and to discuss an efficient strategy for responding to the City's proposal. In response to an inquiry from the Board, Ms. Chambers stated that it was her understanding that there are other utilities that find themselves in a similar situation and have determined that it is in their best interest to hire a rate consultant to review the justifications underlying the proposed rate increase. Ms. Chambers also stated that the Board may want to

consider joining with these other utilities or hiring its own expert. She suggested that, if so, the Board should budget accordingly. After discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried, the Board established a Utility Rate Subcommittee to be comprised of Director Wang, with Director Twellmann as an alternate.

Director Wang stated that the Board would next consider action concerning the status of the Lakeside Water Control and Improvement District No. 2C not to exceed \$2,000,000 Unlimited Tax Refunding Bonds, Series 2021. Mr. Barganski presented this item, reviewing the recently-completed final Refunding summary provided to the Board in advance of the meeting, a copy of which is attached hereto as Exhibit "C". He stated that his office had obtained a credit risk evaluation rating and insurance to ensure investors would receive their principal and interest earnings promptly in order to provide the maximum interest cost savings possible for the District. Mr. Barganski stated that his office worked with HilltopSecurities, the underwriter for this issue, and was able to price and lock in the interest rate for this issue on July 7, 2021. He stated that the District's Series 2012 Unlimited Tax Bonds, with maturities of 2022-2035, and Series 2014 Unlimited Tax Bonds, with maturities of 2022-2036, collectively totaling \$1,690,000.00, were the subject of the District's refunding, and produced reduced total savings to the District, net of all costs of issuance, of \$200,296.00, resulting in a net present value savings of 9.714%. Mr. Barganski stated that the expected closing date for the District's refunding is August 10, 2021, clarifying that no action by the Board was necessary at this time.

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 "D". He stated that the reports provided updates on existing projects, and noted that the report provided by Goodwin Management included information related to (i) the status of the replacement of the water fountain at the playground, and (ii) the status of repairs related to Winter Storm Uri. Mr. Monzingo stated that repairs were still ongoing and that additional water damage to the women's restroom was discovered. He stated that Goodwin Management's report indicated that the additional water damage was unrelated to Winter Storm Uri, and was the result of improper drainage that caused water to enter the building through weep holes located at the bottom of the building's exterior wall. Mr. Monzingo stated that TDJ Construction, the contractor hired by Goodwin Management to address repairs due to Winter Storm Uri recommended the installation of a french drain and replacement of rotted lumber and related drywall and tile. He stated that a copy of TDJ Construction's quote for the exterior landscaping repairs was attached to the recreational facilities report provided by Goodwin Management.

Next, Mr. Monzingo reviewed the report provided by the Operator of the Reserve at Westcreek Amenity Center, which included information related to (i) obtaining an estimate to replace the Reserve at Westcreek Amenity Center door hinges and interchangeable core locks, (ii) the hiring of an electrician to inspect and repair exterior lighting celluloid and interior circuit issues due to recent thunderstorms, and (iii) the purchase of a shed to store trash and recycling bins currently stored within the Amenity Center. Ms. Chambers stated that the Board of Lakeside

WCID No. 1 had suggested placing the trash and recycling receptacles within a fence as an alternative to purchasing the shed, but that, in discussing this option with the facility's Operator, she was informed that the trash and recycling receptacles were originally stored outside, allowing for public access thereto, and were consistently subject to unauthorized dumping. Ms. Chambers then reported that the Operator had initially begun storing the receptacles inside the Amenity Center because such dumping resulted in numerous resident complaints related to unsightly litter. She then noted that quotes for the purchase and installation of a shed ranged in price from \$4,000.00 to \$5,650.00 and were within the monetary threshold that did not require Board approval, however, this matter was being brought before the Board because the shed would be erected on District-owned property and that the Boards for Lakeside WCID Nos. 2A, 2B, and 2D, co-owners of the Amenity Center, had approved that the shed be erected. After discussion, upon motion by Director Bridgefarmer, seconded by Director English, and unanimously carried, the Board approved the purchase and installation of a shed on District-owned property.

Director Wang stated that the Board would next consider a Cost Sharing Agreement for the Speidel Pond Trail Project, a copy of which is attached hereto as Exhibit "E". Ms. Chambers presented this item and stated that it had been brought to the Board as a result of the fact that the Lakeside WCID No. 1 Board had requested that Randall Jones & Associates Engineering update the previously-prepared proposal and expected cost summary for the Project. Ms. Chambers reminded the Board that late last year the Lakeside WCIDs had been presented with a list of proposed projects, including this Speidel Pond Trail Project, to consider whether it was feasible to undertake such projects in the near-term. Ms. Chambers stated that the Speidel Pond Trail Project was the result of a proposal submitted to the Park at Blackhawk and Lakeside Homeowners Association by a resident requesting the installation of a pocket park adjacent to the retention pond located north of Speidel Drive and east of Hodde Lane. She stated that the resident's proposal reflected an estimated project cost totaling \$10,860.00, but did not include the necessary pricing for concrete sidewalks, trees, irrigation, or costs for permitting from Travis County and/or the City. Ms. Chambers stated that at the time first considered, Lakeside WCID Nos. 2A, 2B, 2C, and 2D were in the middle of the design phase associated with the construction of the new amenity center and stated that, although it was the consensus of the Boards that the Speidel Pond Trail Project was a worthwhile endeavor, the Boards determined that it should wait until bids were received for the construction of the new amenity center before it decided on the feasibility of taking on the Speidel Pond Trail Project. She stated that the Lakeside WCID No. 1 Board, desiring to address the item as a result of the length of time it had remained on the recreational facility report, surmised that since the permitting process at the City could take several months, it would be worthwhile to have Randall Jones & Associates Engineering update its proposal to prepare the site plan and design survey for the Project so as to be able to authorize the submittal of a permit application to the City when appropriate, thus minimizing the delay in moving the Project forward. Ms. Chambers stated that the Lakeside WCID Nos. 2A, 2B, and 2D had approved Randall Jones & Associates Engineering's updated proposal as well as their share of the associated engineering costs.

Ms. Chambers stated that the proposed Cost Sharing Agreement provides that Lakeside WCID Nos. 1, 2A, 2B, 2C, and 2D acknowledge and agree that they shall collectively pay for the design and permitting costs for the Project in accordance with the percentages provided in the Agreement, with the District's share coming to 29% or \$2,755.00 of the total cost of \$9,500.00.

After discussion, upon motion by Director Stratton, seconded by Director Twellmann, and unanimously carried, the Board approved the Cost Sharing Agreement for the Speidel Pond Trail Project, as presented.

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. Ms. Chambers stated that the District had received email correspondence from Mr. Matthew Tiemann with this request, a copy of which is attached hereto as Exhibit "F". Mr. Tiemann then addressed the Board, providing information concerning his request. He proposed, for aesthetic reasons, that the home builders and both districts contribute to a masonry fence to be installed on the property of the Kelly Lane WCID No. 2, along Abigail Way, near the rear of Lakeside at Blackhawk III, Section 4. Mr. Tiemann estimated the cost for the fence at \$41,100.00, which included fence columns and 685 linear feet of fence, at \$60.00 per running foot, with a proposal that would call for the home builders to pay roughly \$20/ft. of this cost (\$13,700.00) and the districts to split the remaining \$27,400.00, at a cost of approximately \$13,700.00 each. Ms. Chambers stated that she had reached out to the attorney representing Kelly Lane WCID No. 2, who stated that he would bring the proposal before the Board at their next meeting. In response to an inquiry from the Board, Mr. Tiemann suggested that the cost between the districts be handled through a cost sharing agreement. After discussion, upon motion by Director English, seconded by Director Stratton, and unanimously carried, the Board approved the developer's request with the caveat that, should Kelly Lane WCID No. 2 decline the developer's proposal, the Board would reassess its decision.

Director Wang 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 "G". He noted that Check No. 3678, 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 \$125,000.00 from the District's Money Market Account to the District's Checking Account to pay bills and that the Board authorize the transfer of \$1,052.61 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 and money transfers, as presented.

The next item to come before the Board was to consider action as necessary concerning the management of the District's website and Ms. Chambers provided a brief update concerning the same.

Next, Director Wang stated that the Board would receive a report on the 2021 Legislative Session. Ms. Chambers provided a brief update on legislation with the potential to impact the District. She stated that her office would work to ensure the District's compliance with all applicable legislation and stated that House Bill 1118 exempted the Board members from taking the cybersecurity awareness training that was previously required. Next, Ms. Chambers stated that Texas Open Meetings Act ("TOMA") suspensions allowing remote meetings would continue only through August 31, 2021, with all TOMA provisions being reinstated as of September 1, 2021.

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 until further call at 6:31 p.m.

PASSED, APPROVED, AND ADOPTED THIS 10th day of August, 2021.

  
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Larry English, Secretary

[DISTRICT SEAL]