

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. 1

The Board of Directors of Lakeside Water Control and Improvement District No. 1 (“District” or “Lakeside WCID No. 1”) met in regular session, open to the public, outside the boundaries of the District, at the Blackhawk Amenity Center, 3111 Speidel Drive, Pflugerville, Texas, at 7:00 p.m. on March 10, 2020. A copy of the notice of meeting along with associated certificates of posting are attached as Exhibit “A”.

The roll was called of the members of the Board of Directors, to-wit:

Jeff Stivers	President
Thomas Arndt	Vice President
James Laughlin	Secretary/Treasurer
Brian Kinney	Assistant Secretary
Joshua Miller	Assistant Secretary

All members of the Board were present, thus constituting a quorum of the Board of Directors. All Directors present voted on all matters that came before the Board. Also in attendance were Jeff Monzingo of Montoya & Monzingo, John Barganski of Specialized Public Finance, Inc.; David Klein, Attorney and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.

Director Stivers called the meeting to order and announced that a quorum of the Board was in attendance. Director Stivers stated that the Board would first consider the approval of the minutes of the February 11, 2020 regular meeting. After discussion, upon motion by Director Arndt, and seconded by Director Kinney, and unanimously carried, the Board approved the minutes of the February 11, 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 Stivers stated that the Board would next receive a report from the District’s Engineer. No report was provided by the District’s Engineer.

The next item to come before the Board was to consider action concerning a request for out-of-District retail wastewater service. Mr. Klein informed the Board this request had been put on hold indefinitely at the request of the landowner, as it was his understanding that the

landowner will be obtaining wastewater service from another service provider. After discussion, no action was taken by the Board in connection with this item.

The next item to come before the Board was to consider action regarding the implementation of the District's Stormwater Management Program and enforcement of same. Mr. Klein presented this item. He noted that the District's Stormwater Management Program Subcommittee met to review a list of goals to accomplish in the coming year, including working with the Texas Commission on Environmental Quality with completing the District's Annual Report. Mr. Klein noted that the Subcommittee meeting was an opportunity to initiate representatives from Urban Dirt into the group and review with them a list of duties and responsibilities they are to perform as required under the District's MS4 Permit. In response to an inquiry from Director Miller, Mr. Klein noted that the term MS4 Permit means a Municipal Separate Storm Sewer System Stormwater Permit, and that the District is required under such permit to reduce the sediment and pollution that enters surface and ground water from the District's storm sewer system to the maximum extent practicable.

Direct Stivers stated that the Board would next receive a report from the District's Financial Advisor and consider action concerning the District's not to exceed \$1,475,000 Unlimited Tax Refunding Bonds, Series 2020. Mr. Barganski reported that the District's Refunding Bonds had been successfully priced. He distributed a Refunding Summary for the Board's review, a copy of which is attached as Exhibit "B". He informed the Board that rating packages were sent out to obtain insurance and bond ratings. Mr. Barganski stated that the District did receive a Standard and Poor's bond rating of A-, and with such rating, the District did qualify for bond insurance. He noted that the refunding of the District's Combination Unlimited Tax and Revenue Bonds, Series 2006 had resulted in an annual cost savings of approximately \$17,700 at a net interest cost of 1.773% with a total estimated interest cost of \$212,759, net of all costs of issuance. After discussion, Mr. Barganski stated that the expected closing date for the transaction is scheduled for April 9, 2020.

Next, Mr. Barganski stated that a cash contribution of approximately \$90,000 was necessary to account for debt service payments that would have been applied to the Series 2006 Bonds as they will now be applied to the District's Refunding Bonds, under direction from the District's Special Tax Counsel. He noted that since the District levied and collected a tax to cover debt service on the Series 2006 Bonds just refunded the District must now spend that money. The District may spend this money to offset costs associated with the Bond Refunding allowing the District to save money on the entire transaction. Mr. Barganski noted that Mr. Monzingo would wire these funds before closing to fund the escrow account for the transaction. Mr. Monzingo stated that a wire transfer for this amount has been added to the District's list of invoices to be acted upon later in the meeting. After discussion, upon motion by Director Laughlin, seconded by Director Stivers, and unanimously carried, the Board approved a cash contribution of approximately \$90,000 to offset costs associated with the District's not to exceed \$1,475,000 Unlimited Tax Refunding Bonds, Series 2020.

The next item to come before the Board was to consider the adoption of an order declaring the results of the District's uncontested May 2, 2020 Directors Election, a copy of which is attached as Exhibit "C". Mr. Klein noted that two (2) positions for the office of director

were scheduled to be voted on at the District's May 2, 2020 Directors Election; however only two (2) people filed an application to have his/her name placed on the ballot. The people that filed applications were Jeff Stivers and Brian Kinney; therefore, only two (2) candidate's names were to be placed on the ballot representing two (2) candidates for two (2) positions available. In addition, Mr. Klein noted that no people filed a declaration of write-in candidacy for the May 2, 2020 election; therefore, there were no names to be placed on a list of write-in candidates for the office of director. Mr. Klein noted that the proposed order certifies that Jeff Stivers and Brian Kinney are unopposed for election to the office of director in accordance with law, and that Jeff Stivers and Brian Kinney are declared elected to serve four-year terms on the Board of Directors. After discussion, Director Arndt noted that his name was misspelled on page 1 of the Order. Upon motion by Director Kinney, seconded by Director Laughlin, and unanimously carried, the Board adopted the above-referenced order, as amended.

The next item to come before the Board was to accept the resignation of Director Arndt from the District's Amenity Center Subcommittee. The Board discussed that with the appointment of Joshua Miller to the District's Board of Directors, a quorum would exist on this Subcommittee if everyone attended a meeting, and that it would be appropriate for one of the Directors to resign from this Subcommittee. After discussion, upon motion by Director Arndt, seconded by Director Miller, and unanimously carried, the Board accepted the resignation of Director Arndt from the District's Amenity Center Subcommittee.

Director Stivers stated that the Board would next receive recreational facilities reports and take action concerning the same, including but not limited to, 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 as Exhibit "D". Mr. Monzingo noted that the reports provided brief updates on the status of current projects. He noted that the Park at Blackhawk and Lakeside HOA report contained no requests for action by the Board.

Next, Mr. Monzingo informed the Board that the Reserve at Westcreek provided three (3) proposals for the repair and refurbishing of the concrete floor of Reserve at Westcreek Amenity Center. Mr. Klein drew the Board's attention to pictures attached to the recreational facilities report provided by the Reserve at Westcreek which depicted cracks sustained by the cement floors within the Reserve at Westcreek Amenity Center. Mr. Klein stated that according to Reserve at Westcreek Association members, the cracks had been present for several years without signs of widening. He stated it was his understanding there did not appear to be any additional signs of foundation failure such as cracks on walls, columns, windows or door openings. After discussion, Mr. Klein suggested that the Board might want to consider engaging the services of a structural engineer to determine whether the buildings foundation has failed before spending several thousands of dollars to repair cracks and resurface the floors. After discussion, Mr. Klein informed the Board that the District's Engineer volunteer to have a structural engineer he is familiar with come out and take a cursory look at the floor damage to determine whether a structural analysis is warranted and if so, an estimate for this work. Mr. Klein stated that he understood that representatives of the Reserve at Westcreek had expressed no opposition to the District requesting further investigation into this matter. After discussion, it was the consensus of the Board that the District's Engineer be directed to take steps necessary to

determine if structural analysis of the Reserve at Westcreek Amenity Center foundation is warranted.

Director Stivers stated that the Board would next consider the payment of invoices and Bookkeeper's report. Mr. Monzingo distributed a list of invoices and money transfers, a copy of which is attached as Exhibit "E". Mr. Monzingo requested that the Board add Check No. 4526, Payable to Wells Fargo Bank for \$500.00, for the paying agent bond-related fees; and Check No. 4527, payable to Director Kinney for \$138.52 for attendance at the District's Stormwater Management Program Subcommittee meeting. After discussion, upon motion by Director Arndt, seconded by Director Kinney, and unanimously carried, the Board approved the payment of invoices and money transfers, as amended.

Next, Mr. Monzingo noted that arrangements to obtain a debit card for District website expenses had been completed. He noted that the District's bank placed a \$150 limit per day on the debit card and that it should be received soon.

The next item to come before the Board was to act concerning the amenity center site and project. Director Stivers informed the Board that a meeting of the District's Swimming Pool Subcommittee with Councilman-Hunsaker representatives had taken place. He noted that the meeting resulted in the generation of a Status Report, attached as Exhibit "F". Director Stivers noted that the Status Report provided construction and operational costs for three (3) options which included: (i) Option 1- Outdoor 6-lane, 25-yard lap pool combined with a zero-beach entry with leisure amenities and a waterslide tower with construction costs of \$3,920,000 and annual operating costs of \$254,700; (ii) Option 2- Outdoor 6-lane, 25-yard lap pool with construction costs of \$2,110,000 and annual operating costs of \$175,661; and (iii) Option 3- Outdoor 3-lane, 25-yard lap pool combined with a shallow leisure area, in addition to a shallow water underwater shelf with construction costs of \$2,900,000 and annual operating costs of \$217,219.

Next, Director Laughlin noted that previous discussions were had concerning the District's ability to recoup operating costs through leasing of this recreational facility to competitive swim teams. He noted that under Options 1 and 2, it was determined that annual (20 to 30 weeks of lease use) lease revenues of \$50,000 to \$80,000 could be recovered. It was further discussed that the plans for the amenity center within Lakeside WCID No. 2A contemplate the construction of a 6-lane junior Olympic sized swimming pool, and that such pool could lead to completion among these two facilities for use by competition swim teams. Director Laughlin noted that he and Director Stivers questioned the Councilman-Hunsaker representatives about the costs presented, to which Councilman-Hunsaker representatives responded that their philosophy is that they value quality over price when it comes to their projects.

After discussion, Director Laughlin stated that he could not support providing such an amenity based on the pricing provided by Councilman-Hunsaker, or an amenity similar to the swimming pool located off Kennemer Drive. After further discussion, Director Stivers stated that perhaps a better option might be to consider refocusing the Board's efforts on enhancing the amenity center building and eliminate the swimming pool feature altogether. After discussion, it

was the consensus of the Board that pursuing a swimming pool amenity as part of the recreation facilities being contemplated be placed on hold. After discussion, the Board requested that Mr. Klein review the termination provisions of their agreement with Councilman-Hunsaker and report back to Directors Stivers and Laughlin. After discussion, Director Kinney stated that he would contact PLACE Designs and review revisions to the project's preliminary site plan.

Director Stivers stated that the Board would next take action concerning District website design and management. Director Laughlin suggested that action be taken to appoint Director Miller to the District's Website Subcommittee. Director Stivers requested that an item be placed on the Board's next meeting agenda to address this issue. Next, Director Laughlin requested direction in connection with obtaining the services of a photographer to take photographs of each Director for posting to the District's website. Director Stivers reported that his contact would charge the District \$95 per person. He stated that he also contacted William McCord, a Director from Lakeside WCID No. 2D, who is also a professional photographer who offered his services at \$25 per person. After discussion, upon motion by Director Stivers, seconded by Director Laughlin, and unanimously carried, the Board accepted Mr. McCord's proposal to take photographs of the Board to be used for posting to the District's website to be taken at the Board's next meeting.

After discussion, there being no further business and upon motion by Director Stivers that was seconded by Director Laughlin, which was unanimously carried, the meeting was adjourned at 8:15 p.m. until further call.

PASSED, APPROVED AND ADOPTED THIS 20th day of April, 2020.

(District Seal)


James Laughlin, Secretario