

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

THE STATE OF TEXAS

COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

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On March 9, 2021, at 7:00 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. 1 (“District”) held a regular meeting, open to the public, via videoconference and by two-way, toll-free telephonic conference call. The public was provided a free videoconference link and a toll-free number to call in and participate in the meeting (in-person meetings are typically held at the Blackhawk Amenity Center, 3111 Speidel Drive, Pflugerville, Texas). Copies 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, LLP; Keith Collins of Randall Jones Engineering, Inc.; Maris Chambers and Danielle Lam, Attorneys, and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.; and Terral Smith, property owner.

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. She then said that this open meeting of the Board of Directors was being recorded, in compliance therewith, and that this 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 the noticed telephone number was toll-free and allowed for two-way communication. Ms. Chambers 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 Stivers called the meeting to order at 7:04 p.m. and announced that a quorum of the Board was in attendance. Director Stivers stated that the Board would next consider the approval of the minutes of the February 9, 2021 regular meeting. Upon motion by Director Kinney, seconded by Director Stivers, and unanimously carried, the Board approved the minutes of the February 9, 2021 regular meeting, as presented.

The next item to come before the Board was to receive public comment. Director Stivers acknowledged Mr. Smith's participation and welcomed him to the meeting. Mr. Smith thanked Director Stivers and stated that he had no comments for the Board at this time.

Director Stivers 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 Lakeside Water Control and Improvement District ("WCID") Nos. 2A, 2B, 2C, and 2D (collectively the "Districts"). He stated that his office was waiting for the City of Pflugerville ("City") 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 Arndt, seconded by Director Kinney, 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.

Director Stivers 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 “C”. 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. He 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.

Ms. Chambers 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. She also reported that her firm had reached out to the Districts’ insurance carrier to begin the claims process, noting that its adjuster had visited the Amenity Center earlier that day. Next, Ms. Chambers stated that she 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. She also noted that the Reserve at Westcreek Owners Association utilized the Amenity Center as a warming center for residents who experienced power interruption during the winter storm.

Next, Ms. Chambers 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. She 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. Ms. Chambers then stated that a copy of the Governor’s Executive Order GA-34, which is attached hereto as Exhibit “D”, was included in the Board’s meeting materials. She 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. Ms. Chambers 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. She 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.

Ms. Chambers next presented an overview of the discussion had by the other Districts' Boards of Directors on the subject of maintaining, updating, or rescinding the COVID protocols currently in place at the Amenity Centers, explaining that this information was being shared so that the Board could discuss and consider the positions of its co-owners before taking action on the subject, if necessary, at its next meeting. She stated that upon presenting the preceding report to the Board of Lakeside WCID No. 2A, its President opined that he was inclined to open the Amenity Centers and cease requiring the use of face masks therein. She then reported that, after discussion, the consensus of the Board was to maintain the current COVID protocols for the time being, but consider gradual modification as suggested by the Operators. Ms. Chambers also shared the initial opinions and final consensuses expressed by the Boards of Lakeside WCID Nos. 2B, 2C, and 2D, which also determined to take a more cautious approach. She stated that the rationale for this position stemmed largely from the Boards' desire to defer to the recommendations of the Operators, given their direct communication with residents and familiarity with the day-to-day managerial and health and safety concerns associated with the Amenity Centers and their employees. Summarizing her report, Ms. Chambers noted that the overall consensus of the other Districts was to maintain the status quo, but reiterated that she had given this presentation as a means to facilitate the Board's informed discussion and consideration of the subject so that action could be taken at its next meeting, if necessary.

Director Arndt stated that he believed that the Amenity Centers should not be opened to full capacity. Director Miller stated that he was in strong disagreement with the stance being taken by the Boards of the other Districts, expressing his discomfort with the fact that residents were paying for access to these recreational facilities without receiving the full benefits thereof. He acknowledged the concerns raised by the Operators, but explained the rationale for his position as follows: (1) the Districts compensate the Operators for the precise purpose of managing all aspects of the day-to-day operations and maintenance of the Districts' recreational facilities, and had continued doing so at the same rate despite the limited services currently being provided; (2) given the rescission of the State-imposed COVID protocols, individual residents should be allowed to determine what precautions, if any, they wish to employ in taking advantage of the amenities for which they have paid to have access; and (3) it is unjust to charge residents for the benefit of using the Districts' recreational facilities while simultaneously acting to keep them from doing so by implementing policies that significantly limited resident access thereto. Director Miller then noted that his stance throughout the pandemic has been that the Districts' recreational facilities should be accessible to the residents who have not only paid to use them, but can also make their own determinations as to the proper health and safety precautions to employ while doing so. He clarified his position by analogy to pre-COVID operations of the Amenity Centers, acknowledging that current demand for use of these facilities may not be high, but noting that the Districts haven't similarly limited access to the swimming pools when demand for their use is low.

Director Miller then expressed disappointment with the report relaying the opinions of the Operators and other Boards of Directors, stating that he was offended that it had not been presented in a more objective manner. He indicated that, in his opinion, the presentation suggested a bias in favor of adopting the Operators' recommendation and promoted an agenda to maintain current COVID protocols contrary to some of the Director's stated desire for the Amenity Centers to be reopened without limitation.

Director Stivers then stated that, in his experience, it was not uncommon for directors to change their opinions based on discussions with the rest of the Board and thanked Ms. Chambers' for her clarification of the discussions had by the Board of Lakeside WCID No. 2A. Director Stivers then reiterated that, although the Operators are not currently accepting reservations for party rentals, the Amenity Centers have remained open at 50% capacity. Director Kinney then stated that it was his opinion that the Board should start looking towards opening the Amenity Centers, but was not comfortable doing so at this time. He acknowledged that other residents may not share his opinion, but mentioned that the Districts' other recreational facilities, like parks, playgrounds, and hike and bike trails, remained available. Director Miller then clarified that he did not wish to cause any contention, but simply had strong opinions on the subject. He apologized to the Board and Ms. Chambers for any offense he may have caused, making clear that his criticisms were not personal.

Director Stivers 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 the Bookkeeper's report, copies of which are attached hereto as Exhibit "D". Mr. Monzingo requested that the Board add Check No. 4734, payable to the Travis Central Appraisal District, representing a quarterly appraisal fee of \$1,201.62. Next, Mr. Monzingo requested that the Board transfer \$530,000 from the District's Checking Account to the District's Money Market Account, to gain interest income; and transfer \$275,629.63 from the District's Checking Account to the District's Debt Service Account. After further discussion, upon motion by Director Miller, seconded by Director Stivers, and unanimously carried, the Board approved the payment of invoices and money transfers as amended.

Director Stivers stated that the Board would next consider action concerning the District's individual amenity center site and project. Director Kinney provided a brief update on the project noting that PLACE Designers is moving forward on the site plan with the City of Pflugerville and that the project is moving in the right direction.

Director Stivers stated that the Board would next take action concerning the management of the District website. Ms. Chambers provided a brief update, reporting that she had implemented the instructions given by the Board during its previous meeting to update certain information and materials thereon. She then 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.

Next, Mr. Collins reported that the 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.

Next, Director Stivers stated that the Board would receive a report on the 2021 Legislative Session. Ms. Chambers 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. She 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 by Director Stivers, seconded by Director Arndt, and unanimously carried, the meeting was adjourned until further call at 8:19 p.m.

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



James Laughlin, Secretary

(District Seal)