

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

On May 11, 2021, at 5:45 p.m., the Board of Directors of Lakeside Water Control and Improvement District No. 1 (“District”) held its regular meeting, open to the public, both in-person at the Blackhawk Amenity Center, 3111 Speidel Drive, Pflugerville, Texas, and via videoconference call in accordance with the Governor’s March 16, 2020 proclamation, as extended, suspending certain open meetings statutes in response to the current COVID-19 pandemic and statewide disaster declaration. The public was provided with a free videoconference link. 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:

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

All members of the Board participated either in person or via videoconference, thus constituting a quorum of the Board of Directors. All Directors who participated in person or by videoconference voted on all matters that came before the Board. Also participating in person or by videoconference 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.

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. 1 open meeting, explaining that participation via the noticed free videoconference link allowed for two-way communication.

Director Stivers called the meeting to order at 7:04 p.m. and announced that a quorum of the Board was participating in person or by videoconference. Next, Director Stivers conducted a

roll call and noted that Directors Arndt and Laughlin were participating in this meeting by videoconference and that Directors Stivers, Kinney, and Miller were participating in person. Mr. Klein stated that District consultants also participating in person or by videoconference included Jeff Monzingo, Keith Collins, John Barganski, David Klein, Maris Chambers, and Fred Castro.

Director Stivers stated that the Board would next consider the approval of the minutes of the April 13, 2021 regular meeting. Upon motion by Director Stivers, seconded by Director Kinney, and unanimously carried, the Board approved the minutes of the April 13, 2021 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. Mr. Monzingo stated that the District's Engineer was not present, but was asked to report that the District's Engineer had no updates for the Board at this time.

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 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 "B". 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 status of facility repairs being undertaken to address the sporadic failure of the front, side, and rear doors noting that the repairs had been completed; (ii) replacement of the water fountain at the playground at the Amenity Center would wait until plumbing repairs are made; (iii) information related to damage sustained by the Fencconcrete wall at 3420 Brambling Road from being hit by an allegedly drunk driver and negotiations with that driver's insurance carrier to address the cost of the repair of \$8,250, as quoted by the proposal obtained from Concretex (see Exhibit "E"); and (iv) assessing damages and status of repairs from the winter storm.

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 basketball court improvements. He addressed the Board with a request from the Operator for the purchase of a shed to house trash and recycling bins that are currently stored within the Amenity Center. Mr. Monzingo noted that the bins were being used more due to increased activity at the Amenity Center and were emitting foul odors that waft throughout the building. He stated that quotes for the purchase and installation of a shed ranged in price from \$4,000 to \$5,650. In response to an inquiry from Mr. Klein, Mr. Monzingo stated that it was his understanding that the Operator was asking that the District purchase the shed and that it be installed on District-owned property. Mr. Monzingo stated that Mr. Klein had requested an opportunity to speak with the Operator and discuss the specifics of this request and get back to the Board with an update. Director Kinney suggested that the erection of a fence to enclose the trash cans may solve this issue. Next, Mr. Monzingo reported that an emergency repair to the security camera system at the Reserve at

Westcreek Amenity Center at the cost of \$5,500 due to lighting strikes from recent thunderstorms in the area had been undertaken.

Next, in response to an inquiry from Director Stivers concerning the status of the request from residents for a pocket type park, Mr. Castro stated that a proposal had been received by the HOA and put forth by a resident for the installation of a pocket park adjacent to the retention pond located off of Speidel Drive and Hodde Lane. Mr. Castro noted that the proposal reflected an estimated project cost totaling \$10,860; however, Mr. Castro noted that according to the developer's review of the proposal the developer noted that the pocket park proposal did not include pricing for concrete sidewalks, trees, and irrigation which the District's Engineer had estimated would run approximately \$75,000. Mr. Castro stated that the Lakeside Amenity Center Subcommittee comprised of Lakeside WCID Nos. 2A, 2B, 2C, and 2D had requested that Randall Jones & Associates Engineering develop an estimate of costs for the project, which came in at just over \$100,000, and suggested that this project be submitted to the individual Lakeside Districts to get a sense of whether the Board members felt the project was worth pursuing. Mr. Monzingo stated that it was the consensus of the Lakeside District Board members that the project may be worth pursuing, but not until the new amenity center was built.

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, Bookkeeper's report, and quarterly investment report copies of which are attached hereto as Exhibit "C". Mr. Monzingo requested that the Board transfer \$4,144.18 from the District's Checking Account to the District's Debt Service Account. After further discussion, upon motion by Director Kinney, seconded by Director Miller, and unanimously carried, the Board approved the payment of invoices, money transfers, and quarterly investment report as presented.

Director Stivers stated that the Board would next consider action concerning the District's amenity center site and project. Director Kinney provided a brief update on the project and inquired if Board members had any concerns or questions over the last set of drawings and plans prepared by PLACE Designers. After discussion, Director Kinney stated that the District had received its first round of comments from the City on the project's site development plan and stated that he would be happy to provide the Board with copies if anyone was interested in reviewing them. He stated that PLACE Designers was ready to submit these plans to the City unless the Board had any additional revisions to make and inquired whether the Board was ready to move forward with the project at this time. In response to an inquiry from the Board, Director Kinney stated that he estimated it would take approximately 60 days to get the application through enough of the City's permitting process so that the project could be let for bid.

Next, Director Kinney requested input from Mr. Barganski concerning the financing aspect of this project. Mr. Barganski stated that it was his understanding that the Board had determined that one source of financing was to utilize revenue bonds that would be issued by the District with revenues from the District's water and wastewater system to be used to service the debt. He noted that the Board could not utilize revenues from the District's Operations and Maintenance tax rate for this purpose. He recommended that any rate increase to the District's water and wastewater rates should be in place before the District's issuance of any revenue bonds to fund this project. Mr. Barganski suggested that the Board determine the amount of revenue bonds to be issued and

what impact that would have on the District's utility rates and begin the process as soon as possible. In response to an inquiry from the Board, Mr. Monzingo stated that the District had approximately \$2,500,000 in unrestricted revenues that could be used to fund this project. Mr. Barganski cautioned the Board from spending down its existing surpluses. He added that, from a rating agency standpoint, the Board should maintain sufficient operating revenues in reserve to cover operating expenses for a prescribed period - probably 9 months - since the District still had outstanding bonded indebtedness that must be serviced. Mr. Barganski stated that spending down such surpluses could result in a downgrade in the District's bond rating, which could be problematic. After discussion, the Board directed that Mr. Klein review the District's contract with PLACE Designers to determine if the contract covers the preparation of a Request for Proposal for the project for consideration by the Board. After further discussion, upon motion by Director Kinney, seconded by Director Laughlin, and unanimously carried, the Board authorized PLACE Designers to submit the building permit application to the City for the District's amenity center project; and authorized the payment of all necessary permitting fees associated with the amenity center project. The Board also directed its consultants to work with PLACE to prepare a request for proposals for the amenity center project and to bring back such RFP at a future meeting.

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 was working on the posting of a map of its boundaries to the website so that the public could determine whether their property was located within the District and posting of the District's Year 2 Annual Report on the District's Stormwater Management Plan, as well as, the District's Water Contingency and Drought Conservation Plans. Ms. Chambers requested confirmation that Board members had established their email accounts as each Board member should have received an email verification request to complete the process. Certain directors stated that they could not recall receiving such a request. Ms. Chambers stated that she would make sure that the email verification requests were resent to each Board member.

Next, Director Stivers stated that the Board would receive a report on the 2021 Legislative Session. Mr. Klein provided a brief update of recently-filed legislation with the potential to impact the District.

There were no announcements or requests for items at the Board's next meeting.

The next item to come before the Board was to conduct Cybersecurity Awareness Training. Ms. Chambers stated that, as elected officials Board members are required to complete an annual cybersecurity awareness training course approved by the Texas Department of Information Resources ("DIR"). She stated that the deadline for completion of Cybersecurity Awareness Training is June 14th and that the District must report compliance to the DIR by June 15th. To meet those deadlines, she stated that she had intended to present a DIR-approved cybersecurity awareness training course at this time, but noted that all but Director Kinney had completed the training before this evening. After discussion, Ms. Chambers stated that rather than playing the DIR-approved cybersecurity awareness training course at this time, Director Kinney assured the Board that he would take the training as soon as possible.

Director Stivers stated that the Board would next discuss, consider, and take action to certify compliance with the elected official security awareness training and audit requirements of Texas Government Code § 2054.5191. Ms. Chambers presented this item and recommended that subject to Director Kinney's completion of the cybersecurity awareness training, the Board confirms and certifies that cybersecurity awareness training had been properly completed by each member of the Board of Directors. Upon motion by Director Laughlin, seconded by Director Arndt, and unanimously carried, the Board confirmed and certified that cybersecurity awareness training had been properly completed by each member of the Board of Directors, subject to confirmation of Director Kinney completion of the cybersecurity awareness training.

After discussion, there being no further business, and upon motion by Director Stivers, seconded by Director Laughlin, and unanimously carried, the meeting was adjourned until further call at 8:22 p.m.

PASSED, APPROVED, AND ADOPTED THIS 8th day of June, 2021.


James Laughlin, Secretary

(District Seal)