

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 July 13, 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 its regular meeting, open to the public, both in person at the Blackhawk Amenity Center, 3111 Speidel Drive, 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:

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 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 Jeff Monzingo of Montoya & Monzingo, LLP; Keith Collins of Randall Jones & Associates Engineering, Inc.; Maris Chambers, Attorney, and Fred Castro, Paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.; and Matthew Tiemann of Rowe Lane Development, Ltd.

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 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 Stivers called the meeting to order at 7:01 p.m. After conducting a roll call, he announced that a quorum of the Board was present, with Director Laughlin participating by toll-free teleconference line. Director Stivers stated that District consultants who were also

participating either in person or via toll-free teleconference line included Jeff Monzingo, Keith Collins, Maris Chambers, Fred Castro, and Matthew Tiemann participating as a member of the general public.

Next, Director Stivers stated that the Board would consider the approval of the minutes of the June 8, 2021 regular meeting. Upon motion by Director Stivers, seconded by Director Arndt, and unanimously carried, the minutes of the June 8, 2021 regular meeting were approved, 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. Collins provided a brief update on the status of utility construction within the Park at Blackhawk IV, Phase 9, and anticipated completion of the project within the next 60 to 90 days.

Director Stivers stated that the Board would take things out of order and would next consider a Cost Sharing Agreement for the Speidel Pond Trail Project, a copy of which is attached hereto as Exhibit "B". Ms. Chambers stated that it was her understanding that, given the length of time the resident proposal for this Project had remained on the recreational facility report, and because the permitting process at the City of Pflugerville (the "City") could take several months, the Board had surmised that it would be worthwhile to have Randall Jones & Associates Engineering update its previously-prepared proposal and expected cost summary for the preparation of the site plan and design survey for the Project, as well as its permitting by the City and Travis County, 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 Lakeside Water Control and Improvement District ("WCID") Nos. 2A, 2B, 2C, and 2D had approved Randall Jones & Associates Engineering's updated proposal as well as their share of the associated engineering costs. She 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 being 14%, or \$1,330.00, of the total \$9,500.00 cost to prepare and submit the site plan and design survey. Ms. Chambers stated that she wished to clarify that this project was to be located within the boundaries of Lakeside WCID No. 2A, adjacent to the retention pond located north of Speidel Drive and east of Hodde Lane. After discussion, upon motion by Director Arndt, seconded by Director Kinney, and unanimously carried, the Board approved the Cost Sharing Agreement for the Speidel Pond Trail Project, as presented.

Director Stivers 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 "C". Ms. Chambers stated that she and Mr. David Klein, Attorney for the District, had met with representatives of the City for a second time the previous afternoon to receive further information on the City's proposed rate increase, explaining that she, Mr. Klein, and the District's Engineer had first discussed this issue with representatives

of the City, at the City's request, following the Board's previous meeting. She stated that the City proposed to increase its wholesale wastewater rates by a total of 40%, with projected incremental increases over each of the next 5 years such that the base rate for the year 2026 would be \$68.00. Ms. Chambers stated that the District currently pays a monthly base rate of \$40.00 and the City is now proposing a monthly base rate of \$56.00. 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 had also been suggested to the Boards of Lakeside WCID Nos. 2A, 2B, 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 for that accordingly. After discussion, upon motion by Director Kinney, seconded by Director Stivers, and unanimously carried, the Board established a Utility Rate Subcommittee to be comprised of Directors Arndt and Laughlin.

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 "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. In response to an inquiry from the Board, Ms. Chambers stated that she would obtain additional information related to the actual costs for repairs to the structure.

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) hiring an electrician to inspect and repair exterior lighting celluloid and interior circuit issues due to recent thunderstorms; and (iii) purchasing a shed to store trash and recycling bins that are currently stored within the Amenity Center. Ms. Chambers stated that it was her understanding that the Board 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 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 as the shed would be erected on District-owned property. She then reported that the Boards for Lakeside WCID Nos. 2A, 2B, 2C, and 2D, co-owners of the Amenity Center, had approved that the shed be erected. After discussion, upon motion by Director Kinney, seconded by Director Stivers, and unanimously carried, the Board approved the purchase and installation of a shed on District-owned property.

Director Stivers stated that the Board would next take action as necessary concerning an offer to purchase District land. Ms. Chambers presented an offer to purchase District land located at 1701 Rowe Loop, Pflugerville, Texas, the site of the District's planned amenity center. Ms. Chambers stated that, should the Board so desire, it could convene in Executive Session to discuss the offer. It was the consensus of the Board that convening in Executive Session was not necessary. After discussion, upon motion by Director Kinney, seconded by Director Arndt, and unanimously carried, the Board rejected the offer to purchase District land located at 1701 Rowe Loop, Pflugerville, Texas.

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 Bookkeeper's report, copies of which are attached hereto as Exhibit "E". Mr. Monzingo noted that Check No. 4783, payable to the City; Check No. 4784, payable to PLACE Designers; and Check No. 4785, payable to the City, had been issued after the Board's last meeting and were all related to the District's amenity center project. Mr. Monzingo requested that the Board transfer \$75,000.00 from the District's Money Market Account to the District's Checking Account to pay bills. He requested that the Board transfer \$3,213.01 from the District's Checking Account to the District's Debt Service Account. After discussion, upon motion by Director Arndt, seconded by Director Stivers, and unanimously carried, the Board approved the payment of invoices, and money transfers, as presented.

Director Stivers stated that the Board would next consider action concerning the District's amenity center project, including, but not limited to, the issuance of a Request for Proposal (the "RFP"). Ms. Chambers presented this item and stated that her office had been working with PLACE Designers to finalize the RFP and related construction contract. After discussion, she stated that at least one additional meeting with PLACE Designers would be necessary to finalize the RFP and hoped that this would take place before the next Board meeting. After discussion, Director Kinney inquired whether the District was required to comply with construction wage rate requirements. Ms. Chambers stated that law requires the District to abide by such requirements and that there are a range of methodologies for calculating the same. She stated that her office would ensure that the District complies with all legal requirements in connection with this project. Director Kinney stated that the City had requested a Stormwater Facilities Maintenance Agreement in connection to the District's permitting application. He stated that he, as a member of the

District's Amenity Center Subcommittee, had been provided with an edited version of the Agreement for comment and inquired about the status of the submittal of the Agreement to the City. Mr. Castro noted that, although members of the District's Amenity Center Subcommittee had been provided with a copy of proposed edits to the Agreement, not all members had responded to propose edits and/or provide approval for finalization. Ms. Chambers stated that the Agreement would be recirculated, but assured the Board that this issue would be addressed to keep the project moving forward. Ms. Chambers stated that no action was required by the Board concerning the amenity center project at this time.

Director Stivers stated that the Board would next take action concerning the management of the District website. Ms. Chambers provided a brief update on the management of the District's website. Director Arndt stated that he was still having difficulty creating his @lakesidewcid.com email address for the website. Ms. Chambers stated that she would resend signup instructions to Director Arndt. Director Laughlin stated that he would be happy to assist Director Arndt with setting up his email account.

Next, Director Stivers 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 and stated that her office would work to ensure the District's compliance with all applicable legislation.

There were no announcements or requests for items at the Board's next meeting, but Ms. Chambers clarified that because Texas Open Meetings Act ("TOMA") suspensions allowing remote meetings were currently authorized to continue only through August 31, 2021, with all TOMA provisions being reinstated as of September 1, 2021, she anticipated that the August Board meeting would be the last at which Directors could participate via teleconference.

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 8:16 p.m.

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


James Laughlin, Secretary

(District Seal)