

**MINUTES OF MEETING OF BOARD OF DIRECTORS OF  
LAKESIDE MUNICIPAL UTILITY DISTRICT NO. 3**

**September 9, 2020**

THE STATE OF TEXAS                   §  
  §  
COUNTIES OF WILLIAMSON         §  
  AND TRAVIS                   §

A regular meeting of the Board of Directors of Lakeside Municipal Utility District No. 3 was held on September 9, 2020 via telephone conference call pursuant to Section 551.025, Texas Government Code, as modified temporarily by Governor Greg Abbott, and pursuant to the related guidance from the office of the Texas Attorney General in connection with the Governor’s COVID-19 Disaster Proclamation. Notice of the meeting was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit “A”**. The meeting was open to the public via the toll-free dial-in telephone number provided in the meeting notice. An electronic agenda packet for the meeting was provided on-line via the link included in the meeting notice and the meeting was recorded and made available at the same link.

The telephone conference meeting was called to order at 6:02 p.m. and roll was called of the members of the Board, to-wit:

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|------------------|---|-------------------------------|
| J.D. Scott       | - | President                     |
| John Sutton      | - | Vice President                |
| David Cotton     | - | Secretary                     |
| Laura Olszeski   | - | Treasurer                     |
| Michael Zeniecki | - | Assistant Secretary/Treasurer |

and all of said Directors were present, thus constituting a quorum. Also in attendance at various times during the meeting were Mary Bott with Bott & Douthitt, P.L.L.C.; David Gray and Steven Minor with Gray Engineering, Inc.; Cheryl Allen and Lauren Smith with Public Finance Group, LLC; Steve Bertke with Lennar Homes of Texas Land and Construction, Ltd. (“*Lennar*”); Kevin Flahive with Armbrust & Brown, PLLC; and the following residents of the District: Sherry Scales and John Christopher.

Director Scott requested that Mr. Flahive preside over the meeting. Mr. Flahive stated that the Board would first receive citizens communications and Board member announcements. There being none, the Board next considered the 2020-2021 budget and 2020 tax items. Ms. Smith addressed the Board and reviewed her 2020 Tax Rate Analysis, attached as **Exhibit “B”**. She recommended that the District levy a tax rate of \$0.8400, allocated \$0.4137 to debt service and the remaining \$0.4263 to operations and maintenance. Mr. Flahive then opened the public hearing on the District’s 2020 tax rate and inquired whether there was anyone present wishing to address the Board regarding the District’s tax rate. There being no public comment on the tax rate, Mr. Flahive closed the public hearing. Ms. Bott then presented and reviewed the budget attached as **Exhibit “C”**, which she explained was based upon a recommended tax rate of \$0.8400, with \$0.4263 allocated to operations and maintenance, and 81 new utility taps within the District, and was the same budget presented at the August 12, 2020 meeting. Mr. Flahive then presented the Resolution Adopting Budget and the Order Levying Taxes. Upon motion by Director Scott and second by Director Cotton, the Board voted unanimously, with Directors Scott, Sutton, Cotton, Olszeski and Zeniecki all present and voting “aye”, to: (i) approve the

Resolution Adopting Budget, attached as **Exhibit “D”**; (ii) establish a 2020 tax rate of \$0.8400, allocated \$0.4137 to debt service and the remaining \$0.4263 to operations and maintenance, and adopt the Order Levying Taxes, attached as **Exhibit “E”**. Mr. Flahive then presented the letter from Travis County Voter Registrar, Bruce Elfant, advising of the 2020 assessment and collection of \$1.87 per parcel, attached as **Exhibit “F”**.

Mr. Flahive then recognized Ms. Smith to provide the financial advisor’s report and final refunding analysis on the District’s Series 2020 refunding bonds. Ms. Smith directed the Board’s attention to the final refunding analysis attached as **Exhibit “G”**. She reported that the District’s refunding bonds had sold on September 9 with a cumulative savings of \$183,336 and a net present value savings of \$163,665, which well exceeded the 3% feasibility benchmark. Ms. Smith reviewed the costs of issuance and indicated that, as a result of this refunding, the District had achieved a combined savings for all refundings of ±\$590,281. She concluded by thanking Director Scott for his service as the pricing officer for the refunding bonds. Director Scott complemented Ms. Smith and Public Finance Group, LLC on their handling of the refunding bonds.

Ms. Smith then reviewed the schedule of events for the \$5,750,000 Unlimited Tax Bonds, Series 2020A and \$2,895,000 Unlimited Tax Bonds, Series 2020B, attached as **Exhibit “H”**. She stated that the schedule was dependent on the timing of the Texas Commission on Environmental Quality’s review of the pending applications and issuance of the bond orders and may change. Ms. Smith then requested that the Board approve the Resolution Requesting Estimated Assessed Valuation for the 2020A and 2020B bonds (the “*Resolution*”). Mr. Flahive reviewed the resolution, attached as **Exhibit “I”**, with the Board. Upon motion by Director Scott and second by Director Olszeski, the Board voted unanimously to approve the Resolution, as presented.

Mr. Flahive then stated that the Board would next considered approval of the minutes of the August 12, 2020 regular meeting. Upon motion by Director Scott and second by Director Olszeski, the Board voted unanimously to approve the minutes, as presented.

The Board then considered landscaping, maintenance, signage, drainage and repair items. Director Scott stated that he had no items to present for consideration. Mr. Flahive then discussed with the Board the request by John and April Christopher, residents of the District residing at 1905 Aves Cove, to utilize a portion of the District’s drainage lot adjacent to the rear boundary line of their property for access to their back yard by a pool contractor in connection with a pool construction project tentatively scheduled for early January 2021. He asked if any of the Board members had visited the site since the Board’s regular meeting on August 12. Director Scott stated that he had done so and supported the request, as there was a driveway onto the drainage lot with a gated entry that could be utilized to accommodate vehicular access and there were no drainage facilities in close proximity to the area to be utilized to access the Christophers’ property. Mr. Flahive then recognized Mr. Christopher, who addressed the Board regarding the request. Mr. Flahive stated that if the Board desired to accommodate the request, he recommended that it direct his office to prepare a license agreement containing customary insurance, indemnity and restoration requirements, for the Christophers’ use of the District property, at the Christophers’ expense, which Mr. Flahive would present to the Board for consideration at the October 14 regular meeting. He then asked Mr. Christopher whether he would agree to pay the cost of preparation of the agreement, which he estimated to be approximately \$200. Mr. Christopher agreed to pay the cost. Upon motion by Director Scott and second by Director Zeniecki, the Board voted unanimously to direct Mr. Flahive to prepare the license agreement, at the Christophers’ expense, for the Board’s consideration at the October 14 regular meeting. Mr. Christopher thanked the Board.

Mr. Flahive then stated that the Board would next receive the accountant's report. Ms. Bott referred the Board to the updated cash activity report, attached as **Exhibit "J"**. She reviewed with the Board the Director per diem and vendor payments, to be paid by her office out of the bookkeeper's account, and the four transfers. Ms. Bott then referred the Board to the July financials, stating that the District had collected 99.7% of its ad valorem taxes and was running a positive budget to actual variance of approximately \$211,000. Upon motion by Director Scott and second by Director Olszeski, the Board voted unanimously to approve payment of the per diems and vendor payments, and the four transfers, as presented.

The Board next received the engineer's report from Mr. Gray. He referred the Board to his report, attached as **Exhibit "K"**, and reviewed the report. Mr. Gray stated that, following the August 12 regular Board meeting, he met with Mr. Bertke in the District to review items of concern to the Board relating to water, wastewater and drainage facilities within The Commons at Rowe Lane Phases IVB and VB. He stated that he had returned to the District and inspected those facilities and found the list of items provided to Mr. Bertke to be completed. Mr. Gray then continued his report and stated that his office was working on meeting the District's new reporting requirements associated with its Public Water Supply ID. He then discussed with the Board the required mailing relating to the District's joint application with Manville Water Supply Corporation to cause the land within the District to be removed from Manville Water Supply Corporation's water Certificate of Convenience and Necessity that has been received by District residents. Mr. Gray stated that he had worked with Mr. Flahive's office to provide a notice regarding the matter on the District's website and to assure residents that the application and resulting decertification would not affect the District's provision of water service to its residents to the rates charged by the District for that service. He stated that he had spoken with six District residents that had contacted him with questions regarding the matter and would continue to engage with all residents that contact him about the matter to ensure that their questions are answered. Mr. Gray then stated that the applications for the \$5,750,000 Unlimited Tax Bonds, Series 2020, and the \$2,895,000 Unlimited Park and Recreational Facilities Bonds, Series 2020, had remained under review by Texas Commission on Environmental Quality staff. He then presented to the Board: (i) the recommendation letter to the Board that the District accept the water, wastewater and drainage facilities within The Commons at Rowe Lane Phases IVB and VB for operation and maintenance, attached as **Exhibit "L"**; (ii) The Commons at Rowe Lane Phase VIB Water, Wastewater and Drainage Improvements Pay Estimate No. 11 (Retainage) from Patin Construction LLC in the amount of \$97,409.25, attached as **Exhibit "M"** (the "*Pay Estimate*"); and (iii) the recommendation letter to the Board that the District accept the water, wastewater and drainage facilities within The Commons at Rowe Lane Phase VIB for operation and maintenance, attached as **Exhibit "N"**. Upon motion by Director Scott and second by Director Olszeski, the Board voted unanimously to accept the water, wastewater and drainage facilities within The Commons at Rowe Lane Phases IVB, VB and VIB for operation and maintenance, as recommended by Mr. Gray, and to approve the Pay Estimate, as presented.

Mr. Flahive then recognized Mr. Bertke to provide the developer's report. Mr. Bertke thanked the Board for its acceptance of the water, wastewater and drainage facilities in The Commons at Rowe Land Phases IVB, VB and VIB. He stated that Lennar's homebuilding operations would ensure that these phases were free of trash and debris as home construction continued. Mr. Bertke stated that, at its current pace, Lennar would complete home construction within the District within the next 12 months. He then relayed to the Board his discussion with a resident that resides near the intersection of Windy Vane Drive and Penny Royal Drive relating to potential criminal behavior by teenagers in the area, including underage drinking, which Mr. Bertke told the resident that he would bring to the Board's attention.

Director Cotton then asked Mr. Bertke about the street signage at the intersection of Resource Road and Fresh Spring Drive. He stated that one sign at the intersection reads “Fresh Spring Drive”, while another sign at the intersection reads “Fresh Springs Drive”. Mr. Bertke confirmed that the correct street name is “Fresh Spring Drive” and stated that he would have the incorrect sign replaced.

Mr. Flahive then stated that there was no attorney’s report and inquired as to whether there were any further items to come before the Board. There being none, Mr. Flahive stated that the Board would meet next on October 14. Upon motion by Director Scott and second by Director Zeniecki, the Board voted unanimously to adjourn the meeting at 6:45 p.m.



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David Cotton, Secretary  
Board of Directors

Date: October 14, 2020