

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

October 14, 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 October 14, 2020 via telephone conference call pursuant to Section 551.125, 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 6:03 p.m. and roll was called of the members of the Board, to-wit:

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 with Gray Engineering, Inc.; Lauren Smith with Public Finance Group, LLC; Hasan Mack with McCall Parkhurst & Horton LLP; Jimmy Romell with Maxwell, Locke & Ritter LLP; Steve Bertke with Lennar Homes of Texas Land and Construction, Ltd. (“*Lennar*”); Kevin Flahive with Armbrust & Brown, PLLC; Rob Tiemann with Rowe Development, Ltd.; and Sherry Scales, a resident of the District.

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 agenda items relating to the District’s \$5,750,000 Unlimited Tax Bonds, Series 2020A. Mr. Flahive presented the Amended and Restated Resolution Authorizing Application to Texas Commission on Environmental Quality For Approval of Project and Bonds and Requesting the Use of Surplus Funds and O&M Revenues, attached as **Exhibit “B”** (the “*Amended and Restated Resolution*”). He explained that the Texas Commission on Environmental Quality (“*TCEQ*”) reviewer had issued a comment requiring greater specificity in the Board’s resolution relating to the bond issue, in particular descriptions of the use of surplus funds from prior bond issues and operating funds from the District’s operation and maintenance tax revenues. Ms. Smith then reviewed the schedule of events for the \$5,750,000 Unlimited Tax Bonds, Series 2020A, attached as **Exhibit “C”**. She stated that the schedule was dependent on the timing of the TCEQ’s issuance of the bond order and may change. Ms. Smith then reviewed the Preliminary Official Statement, attached as

Exhibit “D”. Mr. Flahive then recognized Mr. Mack, who presented the Resolution Approving Preliminary Official Statement; Authorizing Distribution of Preliminary Official Statement and Publication of a Notice of Sale of Bonds; and Approving Other Related Matters, attached as **Exhibit “E”** (the “*Resolution*”). He discussed the flexibility with respect to the timing of the sale of the bonds provided under the Resolution, due to the uncertainty the TCEQ’s issuance of the bond order. Then, Mr. Romell presented the proposal from Maxwell Locke & Ritter for preparation of report on reimbursable costs, attached as **Exhibit “F”** (the “*Audit Proposal*”). He stated that the fee would be between \$10,000 and \$12,000 and was consistent with the fee charged for the District’s prior bond issues. Mr. Flahive then recognized Ms. Smith, who requested that the Board authorize her office to apply for a municipal bond rating, and pay related fees, and municipal bond insurance. She stated that both were obtained for the District’s recent refunding bond issue. Director Sutton left the meeting at 6:17 p.m. After discussion, upon motion by Director Scott and second by Director Zeniecki, the Board voted 4-0 to approve: (i) the Amended and Restated Resolution; (ii) the Resolution; (iii) the Audit Proposal; and (iv) to authorize Public Finance Group, LLC to apply for a municipal bond rating, and pay related fees, and municipal bond insurance. Director Sutton returned to the meeting at 6:19 p.m.

Mr. Flahive then stated that the Board would next considered approval of the minutes of the September 2, 2020 special meeting and the September 9, 2020 regular meeting. Upon motion by Director Scott and second by Director Sutton, the Board voted unanimously to approve the minutes, as presented.

Mr. Flahive then asked if there were any landscaping, maintenance, signage, drainage and repair items to come before the Board. Director Scott stated that he had no items to present for consideration. Mr. Flahive then updated the Board on the status of the license agreement with John and April Christopher, residents of the District residing at 1905 Aves Cove, to permit use of 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 stated that he expected to present the license agreement to the Board for consideration at the November 11, 2020 regular meeting.

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 “G”**. 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 two transfers. Ms. Bott then referred the Board to the August financials, stating that the District was running a positive budget to actual variance of approximately \$280,000. Upon motion by Director Scott and second by Director Sutton, the Board voted unanimously to approve payment of the per diems and vendor payments, and the two transfers, as presented.

The Board next received the engineer’s report from Mr. Gray. He referred the Board to his report, attached as **Exhibit “H”**, and reviewed the report. Mr. Gray stated that the District had commenced maintaining the water, wastewater and drainage facilities within The Commons at Rowe Lane Phases IVB, VB and VIB, which facilities were accepted by the District for operation and maintenance at the September 9 regular meeting. He stated that he was working with Mr. Flahive’s office to address requirements of the District’s Public Water Supply ID. Mr. Gray reported that 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 remained in process with the Texas Public Utility Commission. He then stated that he would submit the Amended and Restated Resolution to the TCEQ reviewer upon receipt and complete processing the application for the District’s \$5,750,000 Unlimited Tax Bonds, Series 2020A. Mr. Gray concluded by stating that his office

had received comments to the application for the District's \$2,895,000 Unlimited Tax Bonds, Series 2020B, which he would to address.

Mr. Flahive then recognized Mr. Bertke to provide the developer's report. Mr. Bertke stated that he was on site and had directed his mowing contractor to mow many areas within The Commons at Rowe Lane Phase VIB. He stated that he would seek to ensure that all trash from home construction was removed. He stated that Lennar was starting home construction within The Commons at Rowe Lane Phase VIB, as all but approximately five lots in The Commons at Rowe Lane Phases IVB and VB contained homes that had been sold or were under construction or recently completed. Mr. Bertke stated that he expected 20-30 homes to be under construction within The Commons at Rowe Lane Phase VIB within the next month. Director Scott stated that he had noticed a few pieces of trash that had blown into some of the ponds in The Commons at Rowe Lane Phases IVB, VB and VIB and asked how best to address that with Lennar. Mr. Bertke recommended that Director Scott text or email him and copy Mr. Gray.

At 6:33 p.m., Mr. Flahive stated that the Board would convene in executive session to receive legal advice from its attorney, pursuant to Section 551.071 of the Texas Government Code. At 7:18 p.m., the Board reconvened in open session and Mr. Flahive stated that the Board took no action while in executive session. The Board then discussed its future meeting schedule and agenda items and elected to meet next on November 11, 2020. Mr. Flahive inquired as to whether there were any further items to come before the Board. There being none, upon motion by Director Scott and second by Director Zeniecki, the Board voted unanimously to adjourn the meeting at 7:19 p.m.



David Cotton, Secretary
Board of Directors

Date: November 11, 2020