

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

**January 13, 2021**

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 January 13, 2021 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 6:01 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 and Steven Minor with Gray Engineering, Inc.; Lauren Smith with Public Finance Group, LLC; Michelle Kopplow and Parker Watkins with Maxwell Locke & Ritter LLP; Kevin Flahive with Armbrust & Brown, PLLC; 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 consent items, including: (i) the minutes of the December 9, 2020 regular meeting; (ii) Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance, attached as **Exhibit “B”**; and (iii) Resolution Confirming Annual Review of Certain Financial Management Policies; Code of Ethics and Financial Investment, Financial Management, Travel, and Professional Services Policy; Confirming Investment Strategies; List of Qualified Brokers; and Confirming Designation of Investment Officers, attached as **Exhibit “C”** (collectively, the “*Consent Items*”). After discussion, upon motion by Director Scott and second by Director Sutton, the Board voted unanimously to approve the Consent Items, as presented.

The Board next considered approval of the audit of the District’s financial statements for the fiscal year ended September 30, 2020, including a report from Maxwell Locke & Ritter LLP, approval of the audit report and client representation letter, and authorizing the filing of the audit report with the Texas Commission on Environmental Quality (the “*TCEQ*”). Ms. Kopplow

referred the Board to the audit report and client representation letter, attached as **Exhibit “D”** and **Exhibit “E”**, respectively. She stated that the opinion contained in the report was an unqualified and unmodified opinion. Ms. Kopplow reviewed with the Board the balance sheet on page FS-1. She then reviewed with the Board the remainder of the financial statements in section FS of the audit report. Ms. Kopplow discussed with the Board the general fund comparison of the budget for the year on FS-19, stating that the District had a budget surplus of \$304,113. She stated that 99.8% of the ad valorem taxes for 2019 were collected. Upon motion by Director Scott and second by Director Olszeski, the Board voted unanimously to approve the audit report and client representation letter.

Mr. Flahive then stated that the Board would next address the landscaping, maintenance, signage, drainage and repair items to come before the Board. Director Scott presented the proposal for annual tree trimming and removal in the amount of \$4,250 from Alex’s Tree Service, attached as **Exhibit “F”**. Upon motion by Director Scott and second by Director Sutton, the Board voted unanimously to approve the proposal, as presented.

The Board 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 three transfers. Ms. Bott then referred the Board to the November financials, stating that the District had a positive budget to actual variance of approximately \$40,000. Upon motion by Director Scott and second by Director Zeniecki, the Board voted unanimously to approve payment of the per diems and vendor payments, and the three 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’s Public Water Supply ID had been approved, with conditions. He stated that Texas Public Utility Commission staff had recommended approval of the pending application to remove the District from Manville Water Supply Corporation’s water Certificate of Convenience and Necessity and he expected that approval in the near term. Mr. Gray then discussed the Public Water Supply ID condition relating to a minimum gallons per day flow requirement to the District and stated that he would present a proposal at the February 10 regular Board meeting to have a temporary flow meter installed on the District’s master water meter to gather flow data over a period of time in order to determine the peak flow demands of the District.

Ms. Smith then addressed the District’s \$5,750,000 Unlimited Tax Bonds, Series 2021 and presented the Resolution Requesting Updated Estimated Assessed Valuation, attached as **Exhibit “I”**. She stated that she anticipated that the District would sell the bonds at the Board’s March 10 regular meeting and close the sale at the Board’s April 14 regular meeting. 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 next item on the agenda was the developer’s report. Mr. Gray stated that Steve Bertke with Lennar Homes of Texas Land and Construction, Ltd. had just texted him and stated that he was out of town, lost track of time and apologized for failing to call in to the meeting.

The Board next received the attorney’s report. Mr. Flahive referred the Board to copies of the correspondence that he had delivered to District residents and non-residents relating to dumping and tree planting on District property. He stated that he had not been contacted by any of the recipients of his letters.

Mr. Flahive then recognized Ms. Smith to present the MSRB Rule G-10 and MSRB G-42 disclosure statements, together attached as **Exhibit “J”**. Ms. Smith advised that these were both required disclosures regarding Public Finance Group, LLC’s role as a “municipal advisor” under applicable federal securities laws and reviewed the statements with the Board.

At 6:28 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 7:08 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 February 10, 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 7:09 p.m.



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David Cotton, Secretary  
Board of Directors

Date: February 10, 2021