

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

JUNE 12, 2013

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

The Board of Directors of Lakeside Municipal Utility District No. 3 met in regular session, open to the public, on June 12, 2013, at the offices of Gray Engineering, Inc., 8834 North Capital of Texas Highway, Suite 140, Austin, Texas, pursuant to notice duly given in accordance with law. A copy of the Certificate of Posting of said Notice is attached hereto as Exhibit "A".

The roll was called of the members of the Board, to-wit:

Tom Corbett	-	President
Michael Gold	-	Vice President
John Howell	-	Secretary
Mark Mathews	-	Treasurer
Michael Zeniecki	-	Assistant Secretary/Treasurer

and all of said Directors were present, except Director Gold who had submitted his resignation, thus constituting a quorum. Also in attendance at the meeting were David Gray of Gray Engineering, Inc.; Mary Bott with Bott & Douthitt, P.L.L.C.; Ivan Herlinsky representing The Commons at Rowe Lane Homeowner Association; Joe Straub representing The Commons at Rowe Lane; residents of the District; and Sharlene Collins of Armbrust & Brown, PLLC.

Director Corbett convened the meeting and stated that the Board would first consider approval of the May 8 minutes. Upon motion by Director Howell and second by Director Zeniecki, the Board unanimously approved the minutes as presented.

The next item to come before the Board was to consider the acceptance of the resignation of Director Gold. A copy of his letter of resignation is attached hereto as Exhibit "B". Upon motion by Director Howell and second by Director Zeniecki, the Board unanimously approved the resignation with regret. The Board requested that Ms. Collins draft a letter to be signed by Director Corbett thanking Director Gold for his service to the District.

Director Corbett stated that the Board would next discuss procedures for appointment of a replacement Director. The Board agreed that it would solicit applications from interested parties and plan to make the appointment at the July regular meeting. The Board requested that Ms. Collins draft a statement that Director Howell would have placed on the web site. It was agreed that applications would need to be filed with Ms. Collins' office not later than June 28. Ms. Collins stated that she would then disseminate the applications of the interested parties to the Directors for review.

The next item to come before the Board was to receive a report from the District's bookkeeper and consider payment of bills and invoices, transfers between accounts and investments. Ms. Bott briefly reviewed the invoices for payment. Director Corbett noted Director Mathews' arrival at this time. Ms. Bott stated there was a certificate of deposit maturing as of June 16. She stated that she would like to renew the CD. She stated that the purchase of the certificate of deposit with R Bank last month did not go through as they wanted additional paperwork that was not cost effective. She stated that First State Bank had offered to issue a certificate of deposit at 0.5% interest. She noted that taxes are now 99% collected for 2012. She directed the Board's attention to the budget-to-actual comparison. She stated that they were approximately \$20,000 behind budget due to certain engineering costs that had not been included in the budget. After discussion, upon motion by Director Zeniecki and Director Howell, the Board unanimously approved the payment of bills and the investments.

Director Corbett stated that the Board would next discuss maintenance of landscaping. Director Corbett reported that there had been improvement in the work being done. Director Zeniecki clarified that mowing is not a part of the Forest View contract. He stated that he wished the vendor to be very clear that it not reference mowing. Mr. Straub stated that he would pass that along. Director Howell stated that he had talked to Tom Huffman and had authorized some clean-up near the fences. He stated that the cost would be approximately \$400.

The next item to come before the Board was to receive a report from the District's engineer. Mr. Gray briefly reviewed his report, a copy of which is attached hereto as Exhibit "C". The Board briefly discussed the status of the bond application pending at the Commission. Director Zeniecki inquired as to whether an analysis had been done as to the time to start the next application. Ms. Collins stated that she would check with Ms. Allen when she returned. Mr. Gray stated that they would inquire as to the status of the pending application as well.

Director Corbett inquired as to whether Mr. Straub had a developer's report. Mr. Straub informed the Board that there were four builders interested in the lots that were being constructed within the District. He stated that the next set of drawings for the next section were about to be authorized. He stated that he would have Mr. Huffman do an extra mowing in the area still owned by the developer. The Board thanked him for his report. Director Corbett stated that he wished to discuss and consider additional landscape maintenance and related items. He stated that he had toured the District along with Director Zeniecki recently. He discussed the need for a security building around the well pump that is on property owned by the District. He suggested that the trap that is in place to try to catch the beaver that had been destroying District trees needs to have tape around it to keep individuals away from the trap. The Board then discussed the need for trail signs noting that no dumping or motorized vehicles were allowed in the drainage areas. Director Corbett suggested that no swimming and no boating signs also be installed at the District ponds. Director Corbett noted that there was also a need to cap the well access on the property within the District. Mr. Straub stated that he would handle that. Mr. Herlinsky volunteered to help acquire the necessary signs, secure the beaver trap area and cap the well. Mr. Gray stated that he would be responsible for the planning of a security building around the pump. The Board then discussed the location of the Gehan fence in the new section. Director Corbett stated that it made more sense to allow Gehan to slightly encroach into the District's drainage area so that the fence could be more aesthetically pleasing to the residents. Director Zeniecki stated that silt fences in the current building areas need to be installed to keep

