

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

**OCTOBER 14, 2015**

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

The Board of Directors of Lakeside Municipal Utility District No. 3 met in regular session, open to the public, on October 14, 2015, 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 Zeniecki	-	Vice President
David Cotton	-	Secretary
J.D. Scott	-	Treasurer
Laura Olszeski	-	Assistant Secretary/Treasurer

and all of said Directors were present, thus constituting a quorum. Also in attendance at the meeting were David Gray with Gray Engineering, Inc.; Mary Bott with Bott & Douthitt, P.L.L.C.; Kevin Flahive with Armbrust & Brown, PLLC; and John Sutton and Randy Menefee, residents of the District.

Director Corbett called the meeting to order at 6:00 p.m. and stated the Board would first consider approving the minutes of the September 9, 2015, Board meeting. Upon motion by Director Cotton and second by Director Olszeski, the Board voted unanimously to approve the minutes as presented.

Director Corbett stated that the Board would next consider landscaping, maintenance, signage, drainage and repair items in the District. He stated that he had spoken with Mike McBride with MMLA, LLC and learned that all of the items on the list of projects to be funded by the developer as well as the list of projects to be funded by the District had been completed. Director Corbett stated that he and Director Zeniecki would tour the District prior to the next Board meeting to identify any areas requiring the Board's attention. Director Zeniecki stated that Travis County was working the rail repairs. Director Scott stated that he saw repairmen working on the rails earlier in the day. He stated that he had responded to an email to the District's email address, subsequently forwarded to the Board by Mr. Flahive, from a District resident located on Huckabee Bend, relating to water damage to her fence. Director Scott stated he had visited her property and discussed the matter with the resident and her adjacent neighbor, who complained of similar water damage. Director Scott reported that he had followed up multiple times with the adjacent neighbor to schedule a site visit to his property, but had not received any response. He stated he would bring the matter to the Board after further investigation.

The next item to come before the Board was to receive a report from the District's bookkeeper. Ms. Bott referred the Board to the updated cash activity report, a copy of which is attached as **Exhibit "B"**. She reviewed with the Board the Director per diem payments, vendor

payments and renewal of two certificates of deposit to be approved. Ms. Bott then reviewed the August financial statements in the packet and asked if there were any questions. Upon motion by Director Scott and second by Director Olszeski, the Board voted unanimously to approve the Director and vendor payments and the two certificate of deposit renewals.

Director Corbett stated the Board would next receive a report from the District's engineer. Mr. Gray referred the Board to his report, a copy of which is attached as **Exhibit "C"**. He stated that one of the repairs to be performed by MMLA, LLC and funded by the developer, the trickle channel in the pond in Phase III, had been completed. However, Mr. Gray stated that he had recommended to the developer, and the developer had agreed to fund, the installation of rock riprap along the edge of the concrete trickle channel to insure against erosion. He stated MMLA, LLC would also remove the berm within the drainage lot adjacent to Windmill Ranch Avenue. Mr. Gray stated that the developer would soon remove the two pedestrian bridges located within the floodplain to avoid future displacement during rain events. He stated the bridges would be retained and made available to the District if the Board desired to repurpose the bridges elsewhere. Mr. Gray then discussed with the Board and Mr. Meneffee the status of his office's investigation of the periodic low water pressure within areas of the District. He stated that the City of Pflugerville had installed data recorders that would be removed later in the week and the findings of which would be provided the following week. Mr. Gray continued that Manville WSC had installed data recorders that had malfunctioned and were replaced. He stated he was unsure when the findings of those recorders would be provided. Mr. Gray then discussed with the Board the alternative options available to the District based on his analysis of the information received from the City of Pflugerville and Manville WSC. Upon motion by Director Scott and second by Director Zeniecki, the Board voted unanimously to authorize Mr. Flahive to assist Director Corbett with the preparation and delivery of letters to the City of Pflugerville and Manville WSC regarding the matter and requesting expedient provision of information and assistance with resolution. Mr. Gray then stated that his office had received TCEQ comments to the application for the District's \$4,000,000 Unlimited Tax Bonds, Series 2015. He stated that he anticipated submittal of responses to those comments by the end of October and the sale of bonds no later than the first quarter of 2016. Mr. Gray and Director Zeniecki then discussed with the other Board members the findings of their site visit to inspect the blockage of a drainage swale on residential lots within The Commons at Rowe Lane, Phase VII. Mr. Gray stated that the lot pads had not been graded in conformance with the grading plan provided to the builders, but the builders were performing the grading work and restoring the drainage swale.

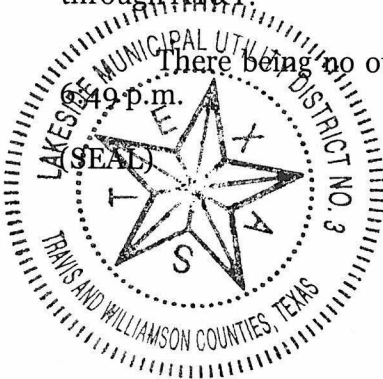
There being no developer's report, Director Corbett then asked if anyone desired to address the Board. Mr. Sutton stated that he had noticed the sprinklers adjacent to Rowe Lane were watering portions of the roadway and needed to be adjusted.

Director Corbett then revisited the landscaping matters, referring the Board to the proposals for annual servicing of the two windmills within the District and relocating the pump panel and transformer in Pump House 2, as had been done with Pump House 1, copies of which are attached as **Exhibit "D"** and **Exhibit "E"**, respectively. After discussion and upon motion by Director Zeniecki and second by Director Olszeski, the Board voted unanimously to approve both proposals.

Director Corbett then discussed with the other Board members the costs of securing a virtual phone line for the District through AT&T, which include a \$1,000 deposit, a one-time \$45 set up fee and \$20/month. He stated that other carriers were substantially more expensive.

After discussion and upon motion by Director Scott and second by Director Cotton, the Board voted unanimously to authorize Director Corbett to set up the District's virtual phone line through AT&T.

There being no other matters to come before the Board, the meeting was adjourned at 6:49 p.m.



  
David Cotton, Secretary  
Board of Directors

Date: November 11, 2015