

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

LASALLE MUNICIPAL UTILITY DISTRICT NO. 1 §

The Board of Directors (the "Board" or the "Board of Directors") of LaSalle Municipal Utility District No. 1 (also sometimes referred to herein as the "District") met in special session, open to the public, at 7401 B. Hwy. 71 West, Suite 160, Austin, Texas, a designated office outside the District, on November 10, 2022, and the roll was called of the members of the Board to-wit:

Kristi LaRue	President
Eric Willis	Vice President
Chuck Kaufman	Secretary
Douglas J. Goss	Treasurer/Asst. Secretary
John Christopher Gee	Asst. Secretary

All members of the Board were present at the commencement of the meeting, except Director LaRue and Director Gee. All directors present at the time a vote was taken voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Kimberly Studdard, paralegal of Winstead PC ("Winstead"); Keith Young and Tracy Bratton of Doucet & Associates, Inc. ("Doucet"), engineers for the District; and Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District. Additionally, Hunter Barron with TACK Development, Ltd., representing an owner and developer of lands within the District, was in attendance as well.

1. The Board called for public communications and comments, however, none being heard, the Board moved on to the next item of business.

2. The Board confirmed receipt of the Minutes from the October 13, 2022 special Board meeting and upon motion by Director Willis, seconded by Director Kaufman, said minutes were unanimously approved.

3. With regard to a developer's report, Mr. Barron noted Lennar is moving a lot of dirt and that there is actually a roadway from CR 158 to I35 now. It was noted that Doucet and the developer continue to work through alleged drainage issues with a neighboring landowner and that there have been discussions about possibly amending the Development Agreement to include approximately 60 acres of industrial property.

4. The Board was presented with a Memorandum, dated November 10, 2022, for construction and status of the three (3) construction projects currently underway by JL Gray

Construction, Inc. ("JL Gray") along with recommendations for related pay applications and change orders, which Memorandum is attached hereto as **EXHIBIT "A"**. It was noted that Change Order No. 4 and Change Order No. 5 under the Waterstone Phase 1-A contract are in process as well as Change Order No. 2 under the Waterstone Units A, B, C contract, and upon motion by Director Kaufman, seconded by Director Willis, the following recommended pay applications and change orders were unanimously approved:

Waterstone Phase 1-A contract with JL Gray:
Pay Application No. 9 (\$451,448.10).

Waterstone Units A, B, C contract with JL Gray:
Change Order No. 1 (\$33,527.50);
Change Order No. 3 (\$18,025.00); and
Pay Application No. 3 (\$1,183,714.65).

With regard to the Waterstone Units A, B, C contract, it was noted that Change Order No. 1 was for the purchase of green SDR pipe required by the City of Kyle and which is currently on backorder, and that Change Order No. 3 under that same contract is for restrained joints at several locations along the 24-inch waterline, as is also required by the City of Kyle. There was no update on the Wastewater Gravity Main project, and Mr. Young noted Waterstone Phase 1A as well as construction of Waterstone Boulevard is projected to be complete in January 2023. Mr. Young noted they are continuing to work with the City of Kyle on a regional water agreement for the elevated storage tank and that the developer pulled back on bidding pumps and generators for the District Lift Station prior to bidding the Main Lift Station since the full design will be complete in 60 days.

5. With regard to any additional water and sewer related agreements, easements, assignments, rights-of-way, related cost sharing agreements, or other related matters, Mr. Barrett noted there was nothing needed at this time.

6. Regarding a possible amendment or addendum to the existing Agreement Regarding Roadway and Drainage Improvements between the City of Kyle and the District, the Board proceeded with the agenda then action was taken regarding item 6 after the close of Executive Session, as discussed in detail under item 11 herein.

7. The Board was presented with a Rate Order by the District intended to address the inspection fees currently being billed by Doucet for construction phase inspections. Mr. Barrett noted that the Rate Order is limited to Phase 1A inspections and includes a not to exceed amount of \$55,000, as conforms to that amount which was included in the original Professional Engineering Services Agreement for Construction Inspection Services between Doucet and the District. Mr. Barrett noted that per the Rate Order, inspection fees would be passed on to the Construction Site Operator, which in this case is currently Lennar. Mr. Bratton expanded on Mr. Barrett's comments, noting that their contract was meant to address a gap in inspection services. Mr. Bratton noted that the City of Kyle inspects the utilities, Hays County inspects the roads, but that it's the District's responsibility to inspect storm sewer/drainage facilities throughout the District. After a full discussion, and upon motion by Director Willis, seconded by Director Kaufman, the Board unanimously approved the Rate Order.

8. With regard to annexation of roughly 70 acres of additional land into the District, Mr. Barron noted they have yet to receive the City of San Marcos' consent, and as is such, there was nothing further to report on the matter at this time.

9. Justin Taack then presented the Board with a Cash Activity Report, noting he would need the Board's approval on disbursement of checks related to director and vendor payments, fund transfers and payment of accounting fees for October 2022, as reflected in said Report. It was noted that Director Gee and Director LaRue's checks would be voided in light of their absence at the meeting that day, and after a brief discussion, and upon motion by Director Kaufman and seconded by Director Willis, the Cash Activity Report and disbursement of funds and transfers in accordance therewith was unanimously approved.

10. Upon motion by Director Willis, seconded by Director Kaufman and unanimously carried, the Board entered into Executive Session at 12:30 p.m. The record shall reflect all consultants, with the exception of the District's attorneys and engineers due to their contribution of pertinent information needed for discussions, members of the public and presenters left the room at this time.

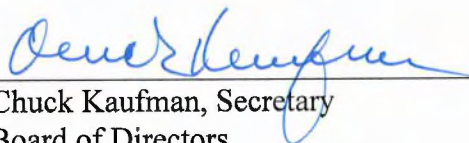
11. At 1:45 p.m., following Executive Session, Director Willis, seconded by Director Kaufman and unanimously carried, announced that the Board would reconvene in public session and that no action was taken in Executive Session.

Following Executive Session, and upon motion by Director Willis, seconded by Director Goss, the Board unanimously approved preparation and mailing of a response letter addressing the potential litigation threatened by a neighboring landowner related to alleged drainage issues impacting the area as well as engagement of any litigation consultants, if necessary, in response thereto.

12. The Board confirmed the next meeting date would be December 8, 2022, and there being no further business to conduct, Director Willis moved that the meeting be adjourned, which motion was seconded by Director Kaufman, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 8th day of December, 2022.





Chuck Kaufman, Secretary
Board of Directors
LaSalle Municipal Utility District No. 1