

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 September 15, 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. 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"); Jacob Harris 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, Mike Schroeder with LaSalle Holdings, Ltd. ("LaSalle Holdings"), representing the owner and developer of the 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 August 11, 2022 regular Board meeting and upon motion by Director Willis, seconded by Director Kaufman, said minutes were unanimously approved.

3. With regard to an Assessment and Collection Agreement ("Agreement") with Hays County for the collection of District taxes, Ms. Studdard noted she was in receipt of said Agreement, and after a brief discussion, and upon motion by Director Willis, seconded by Director Goss, the Board unanimously approved the Assessment and Collection Agreement with Hays County.

4. Regarding a formal request to the Hays Central Appraisal District ("HCAD") for an initial District tax roll for 2022, and any additional certificates, resolutions, or agreements, as may be

necessary, Ms. Studdard noted she was still awaiting receipt of the initial tax roll but that HCAD ensured it is forthcoming.

5. The Board next reviewed a tax rate recommendation prepared by Corey Howell with The GMS Group, L.L.C. ("GMS Group"), the District's financial advisor, a copy of which is attached hereto as **EXHIBIT "A"**, recommending an operating and maintenance tax rate of \$0.95 per \$100 valuation. It was noted that such proposed tax rate was competitive with other districts in the area. It was also noted that since this was the District's initial year to levy a tax rate, it would not be necessary to conduct a formal hearing with respect to a comparison to last year's rate since none existed; however, it was noted in future years, that the District would be adopting a formal Notice of Tax Rate Hearing and conducting such hearing in advance of setting its future tax rates.

6. Justin Taack with Bott & Douthitt discussed a proposed draft operating budget for its upcoming fiscal year of October 1, 2022 to September 30, 2023, and following a review and discussion thereof, upon motion by Director Willis, seconded by Director Kaufman and unanimously carried, the Board adopted a Resolution Adopting Operating Budget, a copy of which is attached hereto as **EXHIBIT "B"**. It was noted that the operations and maintenance tax rate set out in such budget is the same \$0.95 per \$100 valuation recommendation proposed by the District's financial advisor.

7. Following the approval of the District's operating budget for the District's upcoming fiscal year, the Board reviewed a proposed Order Setting Tax Rate for 2022, a copy of which is attached hereto as **EXHIBIT "C"**. Following a full discussion and motion by Director Kaufman, seconded by Director Willis and unanimously carried, the Board approved said Order Setting Tax Rate for 2022. In connection with the levying of such tax rate, it was confirmed that Hays County, through the County Tax Assessor and Collector, would serve as the District's tax collector pursuant to the aforementioned Agreement discussed under item 3 herein.

8. With regard to development-related matters in the District, Mr. Schroeder noted there is a tremendous amount of construction underway within the District and that construction of the roadway connecting I35 to the District is also underway. It was noted that work on detention ponds has begun and that the developer's primary focus at the moment is water supply and water storage in the District. Additionally, it was noted that the City of Kyle will own the water storage tank once complete, and that Hays County is working on Loop 110. There was discussion with regard to industrial development in the area, and it was noted that the mining operation is winding down.

9. The Board was presented with a Memorandum, dated September 15, 2022, for construction and status of the two (2) 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 "D"**. Upon motion by Director Willis, seconded by Director Kaufman, the following recommended pay applications and change orders were unanimously approved:

Waterstone Phase 1-A contract with JL Gray:
Change Order No. 4 (\$38,409.20);
Change Order No. 5 (\$29,970.15);
Pay Application No. 5 (\$710,931.91); and
Pay Application No. 6 (\$308,452.50).

Waterstone Units A, B & C contract with JL Gray:
Pay Application No. 1 (\$507,150.00); and
Pay Application No. 2 (\$536,350.72).

It was noted that they are continuing to work with the City of Kyle on a regional wastewater agreement, and that paving of Waterstone Boulevard will begin the next day.

10. The Board was then presented with a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, and it was noted that typically this is done at the organizational meeting of a district, or pretty quickly thereafter, but that it was brought to Ms. Studdard's attention that said Resolution had yet to be put in place. After a brief discussion, and upon motion by Director Willis, seconded by Director Kaufman, the Board unanimously approved the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and authorized any filing, as may be necessary, with regard thereto.

11. 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. Additionally, with regard to annexation of roughly 70 acres of additional land into the District, Mr. Barrett noted he has yet to receive the City of San Marcos' consent, and as is such, he had nothing further to report on the matter at this time.

It was noted that a neighboring landowner was upset as to alleged drainage of water from the District onto his property and seemed to threaten possible legal action with regard to same. Mr. Barrett noted a letter was received from the neighboring landowner's attorney. Doucet and Associates explained the history of the drainage patterns for that area. The report from the engineer was that drainage pattern had not changed. There was some discussion with regard to the Roadway and Drainage Agreement between the City of Kyle and the District previously approved and possible amendments needing to be made to same. Mr. Barrett noted no action was needed at this time but that he wanted to bring it to the Board's attention.

12. 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 August 2022, as reflected in said Report. It was noted that Director LaRue's check would be voided in light of her absence that day, and after a brief discussion, and upon motion by Director Kaufman and seconded by Director Goss, the Cash Activity Report and disbursement of funds and transfers in accordance therewith was unanimously approved.

13. Regarding the proposed addition of a tax collector bond to the existing insurance policy, Ms. Studdard noted this is a necessary coverage required by Hays County in light of them agreeing to serve as tax collector-assessor for the District. Ms. Studdard noted it would only result in an increase in the annual premium of \$50. Upon motion by Director Kaufman, seconded by Director Willis, the Board unanimously approved the addition of a tax collector bond to the District's existing policy.

14. The Board confirmed the next meeting date would be October 13, 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 13th day of October, 2022.

Doug Goss


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

