

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 regular session, open to the public, at 7401 B. Hwy. 71 West, Suite 160, Austin, Texas, a designated office outside the District, on August 10, 2023, 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 Gee, whom entered the meeting under item 4 herein. 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, attorney for the District, Kimberly Studdard, paralegal of Winstead PC, Keith Young of Doucet & Associates, Inc. ("Doucet"), engineers for the District, and Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District. Additionally, Corey Howell of The GMS Group, L.L.C. ("GMS Group") as well as Emily Bourgeois of Assessments of the Southwest, Inc. ("ASW") were in attendance via teleconference.

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 July 13, 2023 regular Board meeting, and upon motion by Director Kaufman, seconded by Director LaRue, said minutes were unanimously approved.

3. Upon motion by Director Kaufman, seconded by Director LaRue, the Board confirmed receipt of the District's 2023 Certified Estimate of Values from the Hays Central Appraisal District, a copy of which is attached hereto as **EXHIBIT "A"**.

4. Corey Howell with GMS Group, the District's financial advisor, was recognized and reviewed a 2023 Tax Rate Setting Memorandum dated August 10, 2023 which contained recommendations with respect to a proposed tax rate recommendation for the District's 2023 tax rate, a copy of which is attached hereto as **EXHIBIT "B"**. Mr. Howell noted that he was

recommending the District maintain its total tax rate for 2023 at the same rate of \$0.95/\$100 valuation with all amounts being for operations and maintenance tax since the District has yet to issue bonds, and therefore, does not need a debt service tax rate. It was noted the District is designated as a "developing district due to the fact that they have not sold bonds to finance more than 95% of infrastructure for the project. The record shall reflect Director Gee entered the meeting at this time.

5. Justin Taack presented a proposed Operations Budget for the upcoming fiscal year ending September 30, 2024. The Board reviewed the proposed budget, which included revenue from the recommended tax rate of \$0.95 per \$100 of assessed valuation, in detail. It was noted that there's roughly \$56,000 in projected tax revenue for the fiscal year, and as is such, the District may need to request additional developer advances for expenditures.

6. The Board was advised of the continuing requirement under Section 49.236, Texas Water Code, as amended, and requirements under SB 2 from the 2019 legislative session, which require the preparation of a water district tax rate worksheet (as prepared by ASW) and that an updated form of a Water District Notice of Public Hearing on Tax Rate be adopted, published and posted on various websites. The Board reviewed the prior tax-related information herein and confirmed through discussions that the proposed tax rate for maintenance and operations of \$0.95 per \$100 assessed valuation seemed reasonable and necessary. Following such discussion, upon motion by Director Kaufman, seconded by Director Willis and unanimously carried, the Board approved the proposed tax rate of \$0.95 per \$100 assessed valuation, set a hearing date of September 14, 2023 and approved the form of Water District Notice of Public Hearing on Tax Rate ("Notice"), attached hereto as **EXHIBIT "C"**, and authorized the publication of said Notice and various required postings of such information pursuant to current law.

7. Regarding a developer's report, there being no developer representative present, the Board proceeded with the next item on the agenda.

8. The Board briefly discussed a Partial Assignment of Obligations under the existing Reimbursement Agreement to Lennar but was not prepared to take action due to specifics yet to be disclosed by developer.

9. The Board was then presented with a Memorandum dated August 10, 2023 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, which Memorandum is attached hereto as **EXHIBIT "D"**. Additionally, there was a request by Doucet for approval of a Maintenance Bond posted by the contractor for the District's storm sewer system in the amount of \$2 million, and upon motion by Director Kaufman, seconded by Director LaRue, the following recommended pay applications as well as the aforementioned Maintenance Bond were unanimously approved:

Waterstone Phase 1-A contract with JL Gray:  
Pay Application No. 15 (\$379,544.40);  
Pay Application No. 16 (\$200,722.72); and  
Pay Application No. 17 (\$320,344.87).

Waterstone Units A, B, C contract with JL Gray:

Pay Application No. 12 (\$505,767.60);  
Pay Application No. 13 (\$959,295.05); and  
Pay Application No. 14 (\$292,679.55).

It was noted that Phase 1A is anticipating completion in September 2023 and that the engineers continue to work with TxDOT on the intersection of IH 35 and Waterstone Blvd. Additionally, Mr. Young noted construction is expected to commence in September for the lift station, and there was discussion as to pre-ordering many items due to supply chain issues.

10. 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 he had nothing for the Board's consideration at such time.

11. Regarding the existing Agreement Regarding Roadway and Drainage Improvements between the City and the District, and other related matters, Mr. Barrett noted discussions continue between Doucet and the neighboring landowner.

12. Regarding the Rate Order previously imposed by the District, it was noted that there was nothing further to add at such time.

13. There were no additional updates to annexation of the industrial tract into the District, and as is such, the Board proceeded with the next item on the agenda.

14. The Board was presented with an Amended Order Adopting Travel Expense Policy, Limit on Fees of Office and Procedures for Selection and Review of Consultants, Policies Concerning the use of Management Information including the Formation of an Audit Committee, Establishment of an Investment Policy, Selection of a Fiscal Year-End and Certain Other Matters ("Amended Order") as well as a separate Resolution Setting Limit on Fees of Office ("Resolution"), and Mr. Barrett explained that following the 2023 Regular Legislation Session, a law was passed which allows for an increase in director per diems up to \$221 and that said Amended Order and Resolution were meant to effectuate that increase for the Board. Upon motion by Director LaRue, seconded by Director Kaufman, the Board unanimously approved both the Amended Order as well as the Resolution increasing their per diems to \$221 per meeting.

15. There was a brief discussion with regard to possible recording and reporting requirements for electricity, water and natural gas consumption imposed by Chapter 2265, Texas Government Code, and Mr. Barrett noted they were looking for general authorization from the Board to do whatever necessary to comply with the law, if applicable. Upon motion by Director Willis, seconded by Director Kaufman, the Board unanimously approved.

16. Justin Taack proceeded with presentation of a Cash Activity Report, noting he would need the Board's approval on disbursement of checks related to director and vendor payments as well as Bott & Douthitt's invoice for July. After a brief discussion, and upon motion by Director Willis and seconded by Director LaRue, the Cash Activity Report and the disbursement of funds in accordance therewith was unanimously approved.

17. The Board confirmed the next regular meeting date would be September 14, 2023, and there being no further business to conduct, Director Willis moved that the meeting be adjourned,

which motion was seconded by Director LaRue, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 14<sup>th</sup> day of September, 2023.



---

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

