

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 13, 2024, 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 Willis, whom entered the meeting under item 5 herein, and Director Gee, whom entered the meeting under item 6 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, Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District, and William Abshire, Cody Abshire and Danna Oakes of Si Environmental, proposed operations firm for the District. Additionally, Corey Howell of The GMS Group, L.L.C. ("GMS Group"), the District's financial advisor, as well as Delia Yanez 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 9, 2024 regular Board meeting, and upon motion by Director LaRue, seconded by Director Goss, said minutes were unanimously approved.

3. Upon motion by Director Kaufman, seconded by Director LaRue, the Board confirmed receipt of the District's 2024 certified tax roll from the Hays Central Appraisal District.

4. Corey Howell with GMS Group, the District's financial advisor, was recognized and reviewed a 2024 Tax Rate Setting Memorandum dated August 13, 2024 which contained recommendations for the District's 2024 tax rate, a copy of which Memorandum is attached hereto as EXHIBIT "A". Mr. Howell noted that he was recommending the District maintain its total tax

rate for 2024 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 the infrastructure for the project. Mr. Howell noted that Hays CAD has certified around \$25 million which means about \$230,000 in revenue for the general operating fund which should be sufficient to carry the operating expenses for the fiscal year.

5. The record shall reflect Director Willis entered the meeting at this time. Justin Taack presented a proposed Operations Budget for the upcoming fiscal year ending September 30, 2025. The Board reviewed the proposed budget in detail, which included revenue from the recommended tax rate of \$0.95 per \$100 of assessed valuation. It was noted that the assessed value is just under \$25 million, as noted above, and that the management service fees may need to be increased to account for Si Environmental coming on board. Despite the projected increase in management services fees, it was noted that the District will likely not need developer advances for expenditures for the year. Lastly, Mr. Taack noted that this budget is preliminary and that the final budget would be adopted in September.

6. The record shall reflect Director Gee entered the meeting at this time. 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 therein 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 Willis, seconded by Director LaRue and unanimously carried, the Board approved the proposed tax rate of \$0.95 per \$100 assessed valuation, set a hearing date of September 10, 2024, approved the form of Water District Notice of Public Hearing on Tax Rate ("Notice"), attached hereto as **EXHIBIT "B"**, 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 was then presented with a Memorandum dated August 13, 2024 for engineering updates, and Mr. Young noted there were no change orders or pay applications to approve. Mr. Young updated the Board regarding the amenity center and noted plans had been approved by Hays County.

9. 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 the developer is looking to possibly sell some of their reimbursements. Mr. Barret explained that TIP bonds are issued upfront and then the reimbursements from future District bond issuances will be used to pay back the TIP bonds.

10. 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 monthly fee, Si Environmental's fee for materials and expenses related to placement of the District's TCEQ entry signs, 2024 payroll taxes, and Director Kaufman's

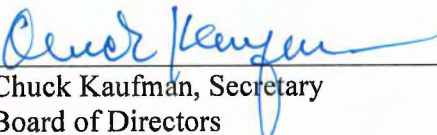
cybersecurity fee. Additionally, there was one transfer in the amount of \$2,750.00 from the District's TexPool Operating Account to the District's PNC Bookkeeper's Account noted for approval. After a brief discussion, and upon motion by Director Willis and seconded by Director LaRue, the Cash Activity Report and the disbursement of funds and transfer in accordance therewith was unanimously approved.

Ms. Yanez then noted that the District had \$9,967.93 in tax collections for the month with one distribution totaling \$51.00, leaving \$9,926.05 in the monthly tax account. It was noted that the District is 100% collected for the year.

11. Mr. Abshire then discussed with the Board operations for the District, and it was noted that his team was able to get out to the development the prior month, and that the required TCEQ entry signs have been installed. It was noted that they are working on getting pricing for maintenance of the wet pond as well as pricing for an immediate mow so they can figure out a maintenance schedule moving forward. It was noted that Mr. Abshire's team will be presenting a proposal in September for maintenance of the pond as well as the open space owned by the District. Mr. Abshire then asked the Board to approve authorization for an initial mow of the pond area to make the area manageable until the maintenance schedule can be implemented. After a brief discussion, and upon motion by Director Kaufman and seconded by Director Willis, the authorization of an initial mow for the pond area was unanimously approved.

12. The Board confirmed the next regular meeting date would be September 10, 2024, and there being no further business to conduct, Director LaRue moved that the meeting be adjourned, which motion was seconded by Director Willis, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 10th day of September, 2024.



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

(DISTRICT SEAL)

