

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 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 January 13, 2026, 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 with the exception of Director Kaufman. 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, Eliza Martinez of Winstead PC, paralegal for the District, Hieu Nguyen of Doucet & Associates, Inc. ("Doucet"), engineers for the District, Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District, and Cody Abshire of Si Environmental, LLC ("Si Enviro"), the District's operations firm. Additionally, Nancy Olson of McCall Gibson Swedlund Barfoot PLLC, the District's auditor, was in attendance.

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 December 9, 2025 regular Board meeting, and upon motion by Director Willis, seconded by Director Goss, said minutes were unanimously approved.

3. Mr. Howell discussed with the Board the Municipal Securities Rulemaking Board ("MSRB") Rule G-10 Disclosure Letter from the District's financial advisor, GMS Group, noting should the Board have any complaints with GMS Group, this letter notifies them of their right to file any complaints with the MSRB. After a brief discussion, and upon motion by Director Goss, seconded by Director Willis, the Board confirmed receipt of the District's annual MSRB Rule G-10 Disclosure Letter.

4. The Board was then asked to review and approve the September 30, 2025, year-end financial statements and audit, management letter and related documents and authorize required filings and postings. Regarding the general fund, Ms. Olsen noted that at the end of the current fiscal year, the unassigned fund balance was \$29,818, a decrease of \$5,979 from the previous fiscal year. General Fund revenues were \$242,733, other financing sources were \$81,966 and expenditures were \$330,678 for the fiscal year ending

September 30, 2025. The District had expenses net of revenues of \$87,136 in the current fiscal year for governmental activities. The Net position decreased from a deficit balance of \$22,025 on September 30, 2024 to deficit balance of \$109,161 on September 30, 2025. It was also noted that \$809 reflects maintenance taxes receivable at the end of the year. "Exhibit A" gives the full detailed report. Ms. Olsen then asked the Board to sign a Board Representation Letter stating that the Board read everything needed and that Director LaRue sign the affidavit as President. After a thorough discussion, and upon motion by Director Willis, seconded by Director LaRue, the Board unanimously approved September 30, 2025 year-end financial statements and audit, management letter and related documents.

5. Mr. Barrett then explained to the Board the upcoming directors' election and the supplemental agenda. After a brief discussion, and upon motion by Director Willis, seconded by Director Goss, the Board unanimously approved the directors' election and all matters on the supplemental agenda.

6. Regarding a developer's report, no one representing the developer was present.

7. The Board was then presented with a Memorandum dated January 6, 2026, and Mr. Nguyen noted there were no pay applications or change orders for Board approval. Mr. Nguyen updated the Board regarding engineering services, asking the Board to update a service agreement for engineering and professional services including service items, rates, and terms. It was noted that the last agreement was accepted in 2018 before Doucet merged with Kleinfelder, Inc. Mr. Nguyen also noted that proposed budgets will be determined by annual forecast or work requests as authorized by District with rates adjusted annually. Mr. Barrett and Director Willis noted that they do not want to move forward with the new rates at this time. Both would like to review the new rates and agreement in further detail, and Director Willis asked to hold on a decision until the next Board meeting. Mr. Nguyen then updated the Board on recent activities, noting that the easement for Wastewater Line ("WWL") to FM 110 is on the City of Kyle council agenda in February for acceptance and recording. Additionally, it was noted that Hays County notified the contractor of list items for streets within Waterstone Units A, B, and C for the warranty period expiring January 31, 2026. After a full discussion, and upon motion by Director Willis and seconded by Director Goss, the Engineering and Professional Services Agreement, excluding the new rates, and Engineering Report, were unanimously approved.

8. With regard to Attorney Report, any additional water and sewer-related agreements, easements, assignments, rights-of-way, related cost sharing agreements, or other related matters, Mr. Barrett asked the Board to sign a Resolution for March 1, 2026, for the Estimate of Valuation from Hays County Appraisal District. After a brief discussion, and upon motion by Director Willis, seconded by Director Goss, a Resolution of Estimate of Valuation from Hays County Appraisal District was unanimously approved.

Mr. Barrett then presented the Board with an Amended District Information Form ("ADIF") to include, amongst other things, all prior bond authorizations. After a brief discussion, and upon motion by Director LaRue, seconded by Director Gee, the Board unanimously approved the Amended District Information Form to include all prior bond authorizations and authorized any filing or recording, as may be necessary, with regard thereto.

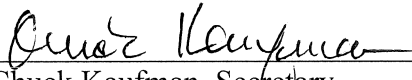
9. Justin Taack proceeded with presentation of a Cash Activity Report, noting he would need the Board's approval on disbursement of funds related to director and vendor payments as well as various consultant invoices and three transfers. One transfer from the TexPool Operating Account to the PNC Bookkeeper's Account in the amount of \$65,978.17 for expenditures, one transfer from the TexPool Tax Account to the TexPool Operating Account in the amount of \$80,000.00; and one transfer from the TexPool SR2025 Capital Projects Account to TexPool Operating Account in the amount of \$24,713.10. Mr. Taack also noted they cut a check to IPREO LLC for the SR2025 bond printing services, and they cut a check to Jones-Heroy & Associates, Inc. for their additional work on the bonds. After a brief discussion, and upon

motion by Director Goss and seconded by Director LaRue, the Cash Activity Report and disbursement of funds and payments in accordance therewith were unanimously approved.

10. Mr. Abshire then discussed with the Board an Operations Report dated January 12, 2026. It was noted that the wet pond level is low due to construction use and lack of rain, and that they are monitoring inlets and sidewalls for erosion. Mr. Abshire noted that the City of Kyle has a process that might kill vegetation. Director Goss suggested waiting to see what happens instead of moving forward since the pond is an amenity. Mr. Abshire will discuss this with the Developer and will come back with an answer for the February 2026 meeting.

11. The Board confirmed the next regular meeting date would be February 10, 2026, and there being no further business to conduct, Director Gee 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 10th day of February 2026.



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

(DISTRICT SEAL)



EXHIBIT A

LASALLE MUNICIPAL UTILITY DISTRICT NO. 1 MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED SEPTEMBER 30, 2025

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of LaSalle Municipal Utility District No. 1 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2025. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's basic financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the unassigned fund balance was \$29,818, a decrease of \$5,979 from the previous fiscal year. General Fund revenues were \$242,733, other financing sources were \$81,966 and expenditures were \$330,678 for the fiscal year ending September 30, 2025.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had expenses net of revenues of \$87,136 in the current fiscal year. Net position decreased from a deficit balance of \$22,025 at September 30, 2024 to deficit balance of \$109,161 at September 30, 2025.

OVERVIEW OF THE DISTRICT

The District, a political subdivision of the State of Texas, was created by Senate Bill No. 1899, Acts of the 83rd Legislature, effective June 2013, and confirmed at an election held on May 5, 2018. The District was created for the purpose of providing maintaining water, wastewater and drainage facilities and has road powers pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District contains approximately 309 acres and is located in Hays County.

USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))

5. Other Supplementary Information (the OSI section)

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “General Fund” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Fund Balance Sheet* includes a column (titled “General Fund”) that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District’s net position will indicate financial health.

The *Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance* includes a column (titled “General Fund”) that derives the change in fund balance resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Fund Balance Sheet* and the *Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance*.

The *Required Supplementary Information* presents a comparison statement between the District’s adopted budget for the General Fund and its actual results.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Current and other assets	\$ 137,132	\$ 50,171	\$ 86,961
Total Assets	\$ 137,132	\$ 50,171	\$ 86,961
Current liabilities	\$ 106,505	\$ 14,374	\$ 92,131
Long-term liabilities	139,788	57,822	81,966
Total Liabilities	\$ 246,293	\$ 72,196	\$ 174,097
Unrestricted	\$ (109,161)	\$ (22,025)	\$ (87,136)

Total Net Position	<u>\$ (109,161)</u>	<u>\$ (22,025)</u>	<u>\$ (87,136)</u>
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The District's net position decreased by \$87,136 during the 2025 fiscal year to a deficit balance of \$109,161 at September 30, 2025 from the previous year's deficit balance of \$22,025.

Revenues and Expenses:

Summary Statement of Activities

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Property taxes	\$ 241,763	\$ 60,702	\$ 181,061
Other	1,779	256	1,523
Total Revenues	<u>\$ 243,542</u>	<u>\$ 60,958</u>	<u>\$ 182,584</u>
District operations	\$ 179,356	\$ 33,979	\$ 145,377
Professional fees	151,322	9,906	141,416
Total Expenses	<u>\$ 330,678</u>	<u>\$ 43,885</u>	<u>\$ 286,793</u>
Change in Net Position	\$ (87,136)	\$ 17,073	\$ (104,209)
Beginning Net Position	(22,025)	(39,098)	17,073
Ending Net Position	<u>\$ (109,161)</u>	<u>\$ (22,025)</u>	<u>\$ (87,136)</u>

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Revenues were \$243,542 for the fiscal year ended September 30, 2025 while expenses were \$330,678. Net position decreased \$87,136 during the 2025 fiscal year.

For the fiscal year ended September 30, 2025, property tax revenues totaled \$241,763. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2024 tax year (September 30, 2025 fiscal year) were based upon a current assessed value of \$24,963,347 and a tax rate of \$0.95 per \$100 of assessed valuation

The tax rate levied is determined after the District's Board of Directors reviews the General Fund budget requirements and the debt service obligations of the District, if any.

ANALYSIS OF GOVERNMENTAL FUND

	<u>Governmental Fund by Year</u>	
	2025	2024
Cash and cash equivalents	\$ 136,323	\$ 50,171
Receivables	809	-
Total Assets	<u>\$ 137,132</u>	<u>\$ 50,171</u>
Accounts payable and other	\$ 106,505	\$ 14,374
Total Liabilities	<u>\$ 106,505</u>	<u>\$ 14,374</u>
Deferred Inflows of Resources	\$ 809	\$ -
Unassigned	\$ 29,818	\$ 35,797
Total Fund Balance	<u>\$ 29,818</u>	<u>\$ 35,797</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 137,132</u>	<u>\$ 50,171</u>

As of September 30, 2025, the District's governmental fund reflected a fund balance of \$29,818, a \$5,979 decrease compared to the previous year.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenditures. The Board of Directors adopted the 2025 budget on September 10, 2024. The budget included revenues of \$234,654 and other financing sources of \$20,000 as compared to expenditures of \$136,550 for the 2025 fiscal year. When comparing actual figures to budgeted amounts, the District had a negative net variance of \$124,083. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The property tax assessed value for the 2025 tax year is approximately \$84 million. The fiscal year 2026 tax rate (2025 tax year) is \$0.95 on each \$100 of taxable value. All of the property tax collected during fiscal year 2026 will fund general operating activities.

The adopted budget for fiscal year 2026, as adopted on September 9, 2025, projects an operating fund balance increase of \$578,990.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Winstead PC, 600 W. 5th Street, Suite 900, Austin, TX 78701.