MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF GARFIELD MUNICIPAL UTILITY DISTRICT NO. 1

May 9, 2025

THE STATE OF TEXAS §
§
COUNTY OF BASTROP §

The organizational meeting of the Board of Directors of Garfield Municipal Utility District No. 1 (the "*District*") was held on May 9, 2025 within the boundaries of the District at **602 FM 535, Cedar Creek, Texas 78612**. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**.

The roll was called of the temporary members of the Board:

C.T. Granger III	--	Director
Nathan L. Kennedy	--	Director
Jason H. Levine	--	Director
David Gonzalez	--	Director
William J. Murphy	--	Director

and all of the temporary Directors were present, thus constituting a quorum. Also present in person at the meeting were Robert Carr and C. Randall Carr of Carr Family Partnership, Ltd., the owner of the land within the District (the "*Developer*"); and Cindy Arias and John Bartram of Armbrust & Brown, PLLC.

The meeting was called to order at 3:13 p.m. Mr. Bartram introduced himself and welcomed the Directors to the organizational meeting of the District. He explained that the District had been created by the Texas Legislature in 2003 pursuant to House Bill No. 3612 of the 78th Legislature, Regular Session, a copy of which is attached as **Exhibit "B "** (the "*Creation Legislation*"), and that the Creation Legislation had been amended by House Bill No. 5322 of the 88th Legislature, Regular Session, a copy of which is attached as **Exhibit "C"**, which, among other things, appointed the Directors as temporary directors of the District. Mr. Bartram stated that the District had been created to finance certain utility infrastructure that would ultimately serve the land within the boundaries of the District, and he explained that the purpose of today's meeting was to organize the temporary Board of Directors of the District and to consider certain related organizational matters. He indicated that, although the organizational meeting was being held within the District, future meetings would likely be held at a more convenient location in Austin. Mr. Bartram explained that the land comprising the District was located within the extraterritorial jurisdiction of the City of Bastrop (the "*City*") and the City had consented to the creation of the District as required by applicable law. Mr. Bartram then responded to various questions from Director Granger regarding the details of constructing and financing utility infrastructure, including the issuance of bonds and the assessment and collection of property taxes.

Mr. Bartram then presented the sworn statements, oaths of office, and bonds for the temporary Directors. He explained that water district directors were public officials of the State and, as such, were required to sign a sworn statement, take an oath of office, and apply for a public official's bond. After review and discussion, the temporary Directors completed their respective oaths of office, sworn statements, and bond applications, which, upon motion by Director Kennedy and second by Director Levine, were accepted unanimously by the Board.

Mr. Bartram next addressed Open Meetings Act training. He stated that the temporary Directors, as public officials, were each required to undergo Open Meetings Act training within 90 days of taking office. He stated that a training video produced by the Texas Attorney General's office was available online, and he directed the Board's attention to the memorandum attached as **Exhibit "D"** for additional information. He next reviewed the Public Access Option Form attached as **Exhibit "E"**, which he stated would need to be completed within 14 days.

Mr. Bartram then explained that the Board was required to elect officers, and he recommended that the Board elect a President, Vice President, Secretary, and two Assistant Secretaries. After discussion, Director Gonzalez moved to elect the following slate of officers:

Director Granger	--	President
Director Kennedy	--	Vice President
Director Levine	--	Secretary
Director Gonzalez	--	Assistant Secretary
Director Murphy	--	Assistant Secretary

Upon second by Director Levine, the motion was adopted unanimously.

Mr. Bartram next recommended that the Board establish a subcommittee with authority to act on emergency and time-sensitive matters between Board meetings. After discussion, upon motion by Director Granger and second by Director Kennedy, the Board voted unanimously to establish an Urgent Matters Subcommittee consisting of Directors Gonzalez and Murphy with authority to act on any emergency or time-sensitive matters, with Director Levine serving as an alternate.

Mr. Bartram next directed the Board's attention to the Professional Services Agreements section of the agenda. He reviewed the Proposal for Legal Services from his firm attached as **Exhibit "F"** for general counsel legal services and summarized his firm's qualifications and the scope of his proposed engagement. He explained that, because the proposal included certain legal services related to the issuance of public securities that would be performed on a contingent fee basis, under Texas law, public notice of certain matters was required to be provided before the Board could consider the proposal, the proposal was required to be approved during an open meeting called for the purpose of considering such matters, and the Board would be required to make certain findings in writing if it decided to approve the proposal. He stated that public notice of his firm's proposal had been properly provided prior to the meeting in the Notice of Contract for Contingent Fee Legal Services attached as **Exhibit "G"** (the "*Notice*"), and items for the Board to consider the matters set forth in the Notice had been properly included on the Board's meeting agenda. Mr. Bartram then reviewed the matters set forth in the Notice with the Board. After discussion, upon motion by Director Kennedy and second by Director Granger, the Board voted unanimously to approve the Proposal for Legal Services from Armbrust & Brown, PLLC, as presented, and the Resolution Approving Proposal for Outside General Counsel Services, including Contingent Fee for Legal Services Related to the Issuance of Public Securities, and Making Certain Findings Related Thereto attached as **Exhibit "H"**. Mr. Bartram thanked the Board and stated that the District would engage additional consultants as necessary in the future.

Mr. Bartram next directed the Board's attention to the administrative matters item on the agenda. He reviewed the District Registration Form attached as **Exhibit "I"**, and explained that this form was required to be filed with the Texas Commission on Environmental Quality (the "*TCEQ*") in order to give notice of the members of the Board, the officers of the Board, the consultants retained by the District, and certain other matters. He next reviewed the proposal from the Texas Municipal League Intergovernmental Risk Pool ("*TMLIRP*") for District insurance attached as **Exhibit "J"**. He noted that TMLIRP was the insurer of many governmental entities in Texas and that its rates and coverage were competitive. He stated that he felt that the proposed coverage and limits were reasonable for a new district with no facilities or operations and that the coverage limits could be reviewed and adjusted as the District developed. Mr. Bartram then reviewed the Resolution Establishing Offices and Meeting Places of the Board of Directors and Establishing Locations for the Posting of Notice of Meetings of the Board attached as **Exhibit "K"**, noting that this would allow the Board to meet at designated locations outside the District's boundaries, and that it also provided for notice of the meeting places to be published, as required by the Texas Water Code. The Board generally agreed that Director Murphy's office should be added as an out-of-district meeting location. Mr. Bartram next addressed District identification signage. He stated that District identification signs were required to be installed at two primary entryways to the District in order to notify the public of the existence of the District, and he requested authorization to post the signage when feasible to do so. Mr. Bartram then stated that the District was required to adopt a District seal, and he presented the form of seal shown on **Exhibit "L"**. Partly in jest, Director Granger expressed disappointment that the proposed seal did not resemble the San Jacinto battle flag. Mr. Bartram next directed the Board's attention to the Covered Applications and Prohibited Technology Policy attached as **Exhibit "M"**. As background, he recounted that, in December 2022, Governor Greg Abbott had ordered all state agencies to ban the TikTok application from state-issued devices and that the Texas Legislature had subsequently extended such prohibition to all governmental entities, including special purpose districts, pursuant to Senate Bill 1893 effective June 14, 2023 ("*SB 1893*"), which had also directed the Texas Department of Information Resources (the "*DIR*") and the Texas Department of Public Safety to jointly develop a model policy for governmental entities to use in satisfying the requirements of SB 1893. He stated that the DIR had released the model policy in November 2024, which he had customized for the District, noting that, because the District did not own or lease any electronic devices, the policy should have minimal effect on the District at this time. After discussion, upon motion by Director Murphy and second by Director Granger, the Board voted unanimously (i) to approve the District Registration Form and its filing with the TCEQ; (ii) to approve TMLIRP's insurance proposal, as presented; (iii) to approve the Resolution Establishing Offices and Meeting Places of the Board of Directors and Establishing Locations for the Posting of Notice of Meetings of the Board, as presented; (iv) to authorize the installation of the necessary signs at two primary entryways to the District; (v) to approve a District seal in the form presented; and (vi) to approve the Covered Applications and Prohibited Technology Policy, as presented.

Mr. Bartram next addressed financial matters. He reviewed the Resolution Adopting Certain Financial Management Policies; Adopting Code of Ethics, Financial Investment, Financial Management, Travel, and Professional Services Policy; and Adopting Investment Strategies attached as **Exhibit "N"**, and pointed out that this was required under the Texas Water Code and Public Funds Investment Act in connection with the management of public funds. He then noted that the District was required to obtain a federal tax identification number and requested authorization to do so. Mr. Bartram next recommended that the Board establish an October 1 to September 30 fiscal year for the District, which was consistent with most other water districts in Texas, as set forth in the Resolution Establishing District Fiscal Year attached as **Exhibit "O"**. Mr. Bartram next discussed the implementation of standards for governmental fund balance reporting and governmental fund type definitions required by Governmental Accounting Standards Board Statement No. 54 ("*GASB 54*"). He stated that, under GASB 54, fund balances were reported in five separate categories, consisting of the non-spendable fund balance, the restricted fund balance, the committed fund balance, the assigned fund balance, and the unassigned fund balance, and he recommended that the Board adopt a policy implementing the GASB 54 standards as outlined in the Resolution Adopting GASB 54 Standards and Applications attached as **Exhibit "P"**. Mr. Bartram then reviewed the Resolution Authorizing and Setting Limits on the Payment of Fees of Office, attached as **Exhibit "Q"**, noting that this would authorize each Director to be paid a fee of office for each Board meeting that the Director attended in the amount of the per diem set by the Texas Ethics Commission for members of the legislature under Section 24a of the Texas Constitution, which was currently $221, up to the current statutory maximum of $7,200 per year. After discussion, upon motion by Director Granger and second by Director Levine, the Board voted unanimously (i) to approve the Resolution Adopting Certain Financial Management Policies; Adopting Code of Ethics, Financial Investment, Financial Management, Travel, and Professional Services Policy; and Adopting Investment Strategies, as presented; (ii) to authorize the District's attorney to obtain a federal tax identification number for the District; (iii) to approve the Resolution Establishing District Fiscal Year, as presented; (iv) to approve the Resolution Adopting GASB 54 Standards and Applications, as presented; and (v) to approve the Resolution Authorizing and Setting Limits on the Payment of Fees of Office, as presented.

Mr. Bartram next addressed records management and reviewed the Order Establishing Records Management Program, Appointing Records Management Officer, and Appointing Public Information Coordinator attached as **Exhibit "R"**, and the Declaration of Compliance with Records Scheduling Requirement of the Local Government Records Act attached as **Exhibit "S"**, noting that these documents were required in order to provide for the uniform management of the District's records, as those records were public records and were, by law, subject to certain retention requirements. He stated that the position of legal assistant to the attorney for the District would be designated as the Records Management Officer and Public Information Coordinator for the District. After discussion, upon motion by Director Gonzalez and second by Director Murphy, the Board voted unanimously to approve the Order Establishing Records Management Program, Appointing Records Management Officer, and Appointing Public Information Coordinator and the Declaration of Compliance with Records Scheduling Requirement of the Local Government Records Act, as presented.

Mr. Bartram then stated that the Board would move to the Other Matters section of the main agenda and conclude by addressing the Board's future meeting schedule. The Board generally agreed that the next meeting would be scheduled on an as-needed basis.

There being no further business to come before the Board, upon motion by Director Murphy and second by Director Levine, the meeting was adjourned at 3:59 p.m.

(Signature page follows.)

(SEAL)

GARFIELD MUNICIPAL UTILITY DISTRICT NO. 1

Jason Levine, Secretary
Board of Directors

Date: May 9th 2026