

MINUTES OF
LAKE MCQUEENEY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

August 20, 2024

The Board of Directors (the "Board") of Lake McQueeney Water Control and Improvement District No. 1 (the "District") met in regular session in person, open to the public, on the 20th day of August 2024, at Lake Breeze Ski Lodge, 225 Ski Lodge Road, McQueeney, TX 781234, inside the boundaries of the District, and the roll was called of the members of the Board:

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| Robert L. Worth, Jr. | President |
| Paul A. Mueller | Vice President |
| Lindsey Gillum | Secretary |
| David Doughtie | Treasurer/ Assistant Secretary |
| Michele Norris | Assistant Vice President |

And all of the above were present, thus constituting a quorum.

Also present at the meeting, either in person or by videoconference, were members of the public, some of whose names are listed on the attached sign-in and online attendance sheets; Ashlee Martin of McCall Gibson Swedlund Barfoot PLLC; Terrell Palmer of Post Oak Municipal Advisors LLC; Calep Estes and Danae Dehoyos of Touchstone District Services ("Touchstone"); and, attending virtually, Nellie Connally and Jane Miller of Allen Boone Humphries Robinson, LLP ("ABHR").

PUBLIC COMMENT

Ms. Connally discussed the District's public comment policy (the "Policy") prior to opening the floor and line for the Board to receive public comment.

There being no members of the public present in person or attending remotely requesting to make a public comment, the Board moved to the next agenda item

MINUTES

The Board reviewed the minutes of the May 15, 2024 regular meeting. Director Mueller moved to approve the minutes. The motion was seconded by Director Norris and passed unanimously.

AUDIT FOR FISCAL YEAR END APRIL 30, 2024

Ms. Martin reviewed a draft audit of the District's financial information for the fiscal year end April 30, 2024, a copy of which is attached to these minutes. Upon a motion made by Director Doughtie and seconded by Director Gillum, the Board voted

unanimously to (1) approve the audit and management letter subject to final review and comments; and (2) authorize McCall to file the audit and filing affidavit with the TCEQ.

FINANCIAL AND BOOKKEEPING MATTERS AND UPDATE REGARDING BOND SALE

Director Doughtie reviewed the bookkeeper's report, a copy of which is attached. Following review and discussion of the financial report, including tax revenue, Director Norris moved to approve the bookkeeper's report and payment of invoices. The motion was seconded by Director Mueller and passed unanimously.

2024 TAX RATE

Ms. Connally discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2024 tax year.

Following review and discussion, Director Gillum moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing district for the 2024 tax year, pursuant to Section 49, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Norris seconded the motion, which passed unanimously.

2024 TAX RATE

The Board considered the District's 2024 tax rate. Mr. Palmer reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a total tax rate of \$0.3551 per \$100 of assessed valuation, based on the District's initial 2024 certified value. A copy of the debt service tax rate analysis is attached. Ms. Connally discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Mueller moved to: (1) set the public hearing date; and (2) authorize ABHR to publish notice in the Seguin Gazette of the District's meeting to set the proposed 2024 total tax rate of \$0.3551 per \$100 of assessed valuation. Director Doughtie seconded the motion, which passed unanimously.

TEXAS WATER DEVELOPMENT BOARD FUNDING

Mr. Palmer discussed sending a request to the Texas Water Development Board requesting an extension of time for the District to close on its remaining funds. Following discussion, Director Gillum moved to authorize execution of a letter to the TWDB requesting an extension of time for the District to close on its remaining funds. Director Norris seconded the motion, which passed unanimously.

ENGINEERING UPDATE

Director Mueller provided an update regarding dam construction.

WEBSITE AND COMMUNICATION MATTERS

Director Norris reported regarding updates to the District website.

MEETING SCHEDULE

The Board concurred to hold its next meeting on Wednesday, September 18, 2024, at 4:00 p.m.

There being no further business to come before the Board, the meeting was adjourned.


Secretary, Board of Directors



ATTACHMENTS TO THE MINUTES

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