

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

August 21, 2025

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 21st day of August 2025, 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:

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, except Directors Gillum and Mueller, 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 Ellis PLLC; Calep Estes of Touchstone District Services ("Touchstone"); and, attending virtually, Terrell Palmer of Post Oak Municipal Advisors LLC; and Nellie Connally and Jane Miller of Allen Boone Humphries Robinson, LLP ("ABHR").

PUBLIC COMMENT

Director Worth opened the floor and line for the Board to receive public comment.

Mr. Paul Overstreet commented regarding flood prevention funds available through the State of Texas and asked how the power generation funds would impact the future tax rate.

There being no other 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 July 17, 2025, regular meeting. Director Norris moved to approve the minutes. The motion was seconded by Director Doughtie passed unanimously.

AUDIT FOR FISCAL YEAR END APRIL 30, 2025

Ms. Martin reviewed a draft audit of the District's financial information for the fiscal year end April 30, 2025, a copy of which is attached to these minutes. Upon a motion made by Director Norris and seconded by Director Doughtie, 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

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 Worth moved to approve the bookkeeper's report and payment of invoices. The motion was seconded by Director Norris and passed unanimously.

2025 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 2025 tax year.

Following review and discussion, Director Norris moved to adopt a Resolution Regarding Development Status for 2025 Tax Year establishing the District as a Developing district for the 2025 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 Doughtie seconded the motion, which passed unanimously.

The Board next considered the District's 2025 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 2025 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 Norris moved to: (1) set the public hearing date for September 16, 2025, at 2:00 p.m.; and (2) authorize ABHR to publish notice in the Seguin Gazette of the District's meeting to set the proposed 2025 total tax rate of

\$0.3551 per \$100 of assessed valuation. Director Doughtie seconded the motion, which passed unanimously.

ENGINEERING UPDATE, GBRA UPDATE AND

Directors Norris and Doughtie provided an update regarding dam construction, brush clearing and coordination with the Guadalupe County Emergency Management Team regarding siren system testing.

WEBSITE AND COMMUNICATION MATTERS

Director Norris reviewed a written website and communications report, a copy of which is attached. The Board concurred to authorize an eblast to subscribers regarding siren testing procedures.

MEETING SCHEDULE

The Board concurred to hold its next meeting on Tuesday, September 16, 2025, at 2:00 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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