

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

March 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 March 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:

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 Director Gillum, 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; Calep Estes and Danae Dehoyos of Touchstone District Services ("Touchstone"); Terrell Palmer of Post Oak Municipal Advisors LLC; 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.

Mr. Paul Overstreet commented regarding donations made to Meadow Lake.

Ms. Anne Harris asked that the Board consider granting a homestead exemption or a tax exemption for over 65 and/or disabled property owners in the District.

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

2024 DIRECTORS ELECTION

Ms. Connally presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the

District received 3 candidate applications for the 3 director positions for the May 4, 2024, Directors Election.

Ms. Connally then presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office (the "Order Cancelling") stating that the May 4, 2024, Directors Election is cancelled and that the unopposed candidates, Robert L. Worth, Jr., Paul A. Mueller and Lindsey Gillum, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election. She reviewed the posting requirements for the Order Cancelling.

Following review and discussion, Director Mueller moved to (1) accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors and direct that the Certificate be filed appropriately and retained in the District's official records; (2) adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office, authorize the Secretary's agent to post the Order Cancelling, as required, direct that the Order Cancelling be filed appropriately and retained in the District's official records; and (3) authorize ABHR to post notice of the cancellation at the District's regular posting for agendas. Director Doughtie seconded the motion, which passed unanimously.

SERIES 2024, UNLIMITED TAX BONDS

Mr. Palmer updated the Board on the Authority's issuance of \$10,550,000 Series 2024 Unlimited Tax Bonds ("Series 2024 Bonds"). Mr. Palmer reported that the Series 2024 Bonds priced on _____, 2024. He stated the Series 2024 Bonds are anticipated to close on or around April 23, 2024. Ms. Connally discussed issuance and closing costs for the Series 2024 Bonds. Following review and discussion, Director Doughtie moved to authorize disbursement of bond proceeds for payment of related issuance and closing costs for the Series 2024 Bonds. Director Mueller seconded the motion, which passed unanimously.

The Board next considered adopting the Resolution Authorizing the Issuance, Sale, and Delivery of the Lake McQueeney Water Control and Improvement District No. 1 Unlimited Tax Bonds, Series 2024; Approving the Form and Substance and Authorizing the Execution of an Indenture of Trust Relating to Such Bonds; Authorizing and Ratifying Other Actions of the Board of Directors; Making Certain Findings and Containing Other Provisions Related to the Subject (the "Resolution"). Ms. Connally presented and reviewed the proposed Resolution with the Board which included explanation that the documents set forth the terms and provisions of issuance and delivery of the Bonds, the payment of principal and interest over the life of the Bonds, and certain District covenants regarding continuing disclosure and the tax-exempt status of the Bonds. Following review and discussion, Director Doughtie made a motion to adopt the Resolution. Director Mueller seconded the motion, which carried unanimously.

The Board next considered execution of the Paying Agent/Registrar Agreement with BOKF, NA. Ms. Connally reviewed the agreement and the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Bonds. Following review and discussion, Director Doughtie made a motion to approve the Paying Agent/Registrar Agreement. Director Mueller seconded the motion, which carried unanimously.

The Board next considered approving the Private Placement Memorandum for the Bonds. Following review and discussion, Director Doughtie made a motion to approve the Official Statement. Director Mueller seconded the motion, which carried unanimously.

Ms. Connally presented and reviewed the Certificate Regarding Provision of Financial Advice certifying that ABHR has not provided financial advice to the Board concerning the issuance of the Bonds and that the Board has relied on the municipal advisor, Mr. Palmer, for financial advice. Following review and discussion, Director Doughtie made a motion to approve the Certificate Regarding Provision of Financial Advice. Director Mueller seconded the motion, which carried unanimously.

Ms. Connally next explained that there will be various documents related to delivery of the Bonds requiring execution by the directors prior to closing. (He/She) requested that the Board authorize the Board of Directors to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds to the purchaser. Following review and discussion, Director Doughtie made a motion to authorize execution of documents related to the sale and delivery of the Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bonds. Director Mueller seconded the motion, which carried unanimously.

Ms. Connally reviewed an Amendment to the District's Information Form, which she stated reflects the updated total amount of bonds sold by the District, and will be filed with the TCEQ and recorded in the official property records of the Guadalupe County Clerk. Following review and discussion, Director Doughtie made a motion to approve the Amendment to the Information Form and direct that it be filed with the TCEQ and the official property records of the Guadalupe County Clerk. Director Mueller seconded the motion, which carried unanimously.

MINUTES

The Board reviewed the minutes of the January 17, 2024 regular meeting. Director Norris moved to approve the minutes. The motion was seconded by Director Doughtie and passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET

Director Doughtie reviewed the bookkeeper's report, a copy of which is attached, reviewed the budget for the fiscal year ending April 30, 2024 and a draft budget for the fiscal year ending April 30, 2025. Following review and discussion of the financial report, including tax revenue, Director Mueller moved to (1) approve the bookkeeper's report and payment of invoices; (2) amend the budget for the fiscal year ending April 30, 2024; (3) approve a budget for the fiscal year ending April 30, 2025; and (4) authorize transfer of bond funds following close pursuant to the District's Contract for Financing and Operation of Lake McQueeney Dam and Hydroelectric Facilities and first amendment. The motion was seconded by Director Norris and passed unanimously.

RESOLUTIONS CONCERNING EXEMPTIONS FROM TAXATION

Mr. Palmer reviewed an analysis of general residential homestead exemptions and homestead exemptions for disabled persons or persons over 65 years of age.

After review and discussion, Director Doughtie moved to reject all optional exemptions. The motion was seconded by Director Mueller and carried by unanimous vote.

RENEWAL OF DISTRICT INSURANCE POLICIES

Director Doughtie reviewed an insurance renewal proposal from McDonald & Wessendorff Insurance. Following review and discussion, Director Norris moved to approve a proposal from McDonald and Wessendorff Insurance for renewal of insurance effective April 9, 2024. Director Mueller seconded the motion, which passed unanimously.

UPDATE FROM ENGINEERING COMMITTEE AND MATTERS RELATED TO GBRA

Director Mueller provided an update regarding dam construction.

WEBSITE AND COMMUNICATION MATTERS

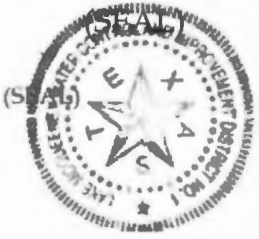
Director Norris reported regarding updates to the District website.

MEETING SCHEDULE

The Board concurred to hold its next meeting on May 14, 2024, at 4:00 p.m.

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

Audrey Gellum
Secretary, Board of Directors



ATTACHMENTS TO THE MINUTES

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