

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

March 9, 2023

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 9th day of March 2023, 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, except Director Doughtie, 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 sheet; Calep Estes and Michael Willett of Touchstone District Services ("Touchstone"); Terrell Palmer of Post Oak Municipal Advisors LLC; Darrell Nichols of the Guadalupe-Blanco River Authority ("GBRA"); Tyler Wilson of Municipal Accounts & Consulting, LP; and Steve Robinson, Nellie Connally and Jane Miller of Allen Boone Humphries Robinson, LLP ("ABHR").

PUBLIC COMMENT

Mr. Robinson reviewed the District's public comment policy (the "Policy") prior to opening the floor and line for the Board to receive public comment.

Mr. Steve Pritchard requested to make a public comment at the close of the meeting.

Mr. Bob Wood requested to make a public comment regarding agenda item nos. 5 and 6.

There being no additional members of the public wishing to make a public comment at this point on the agenda, Director Worth moved to the next agenda item.

MINUTES

The Board reviewed the minutes of the February 15, 2023, regular meeting. Director Mueller moved to approve the minutes. The motion was seconded by Director Norris and passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Wilson reviewed the bookkeeper's report, a copy of which is attached and a draft budget for the fiscal year ending April 30, 2024. Following review and discussion of the financial report, including tax revenue, Director Gillum moved to approve the bookkeeper's report and payment of invoices. Director Norris seconded the motion, which passed unanimously.

UPDATE FROM ENGINEERING COMMITTEE

Mr. Robinson asked if there were any members of the public who wanted to make a public comment prior to discussion of this agenda item. There being no member of the public wishing to make a comment, the Board continued to discuss this agenda item.

Directors Mueller and Worth discussed the scoring matrix for bids received by Guadalupe-Blanco River Authority ("GBRA") and provided an update regarding contractor interviews and projected contract award date. Director Worth commented that a Frequently Asked Questions sheet has been added to the District website to answer various questions including questions regarding GBRA's decision to bid the contract for the District's and Lake Placid's dam construction together.

MATTERS RELATED TO GBRA

Mr. Robinson asked if there were any members of the public who wanted to make a public comment prior to discussion of this agenda item.

Mr. Steve Pritchard asked that the Board consider posting the scoring matrix on the District website. Director Mueller explained the scoring mechanism and said the Board would consult with ABHR and GBRA to determine when and if the scoring matrix can be provided to the public. He also explained that GBRA requires insurance and payment and performance bonds for the contract. He also asked that Mr. Nichols explain the lake drawdown schedule.

There being no additional public comment, Director Gillum introduced Mr. Nichols to discuss GBRA leadership and structure going forward and estimated schedules for lake drawdown and start of construction.

Mr. Bob Wood commented regarding the District's contract with GBRA, previous estimates prepared by Frieze & Nichols for repair of all dams, and using bond funds already issued for repair of the dam instead of replacement. He also commented regarding the proposed use of coffer dams.

Mr. Edward Hilsdorff asked how quickly water released from Lake McQueeney would come down and through Lake Placid during the drawdown.

Mr. Michael ____ asked if construction at Lake Dunlap would have to be completed to start the McQueeney/Placid construction project.

Mr. Pat Irwin asked if funding was in place and if the project would start on schedule.

Director Nichols and Mr. Robinson reminded meeting attendees of the District's policy for public comment.

Ms. Diane Roberts asked why the bids received are higher than estimated and asked who was responsible for managing those estimated costs.

Mr. Nichols made additional comments regarding plans to issue notice to proceed and said the construction at Lake McQueeney will last approximately 24 months. He added that the bids for Lake McQueeney and Lake Placid were advertised and taken together and cannot be broken apart. Mr. Nichols said that it will take 2 days to lower Meadow Lake first, 6 inches at a time during daylight hours only, but there is no guarantee that GBRA will be able to slow-release the water. He said GBRA will provide notice and information before the drawdown begins.

Director Worth reminded meeting attendees that the District has a contractual obligation with GBRA to move forward and repair the dam. Director Mueller commented that inflated construction costs are not unique to this construction project and are plaguing both public and private projects in Texas.

WEBSITE AND COMMUNICATION MATTERS

Director Norris reported regarding updates to the District website.

2023 BOND ELECTION MATTEERS

Mr. Robinson asked if there were any members of the public who wanted to make a public comment prior to discussion of this agenda item.

Mr. Richard Bailey requested information regarding the two types of bonds available to fund construction of the dam project. Mr. Robinson clarified that the 2023 election was to authorize free market bond funding. Director Gillum commented that

the Board's decision to ask for voter authorization for bonds is sufficient to deal with any contingencies encountered during construction.

Ms. Connally and Mr. Robinson explained that the second bond proposition is to authorize an amount sufficient to refund the bonds authorized in proposition 1 and reiterated that the refunding bonds proposed are not authorization for additional debt.

Mr. Pat Irwin asked about polling locations.

There being no additional members of the public wishing to make a comment, the Board continued to discuss this agenda item.

Mr. Robinson discussed that a Voter Information Document is required to be prepared and posted for the 2023 Bond Elections. He presented and reviewed a draft Voter Information Document containing information and data prepared by the District's financial advisor. Following review and discussion, Director Mueller moved to approve and authorize posting of the Voter Information Document and direct that the Voter Information Document be filed appropriately and retained in the District's official records. Director Gillum seconded the motion, which passed unanimously.

APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD FOR FUNDING FROM THE CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM

Mr. Robinson asked if there were any members of the public who wanted to make a public comment prior to discussion of this agenda item.

An unidentified member of the public asked for information regarding assistance with dredging offered by the Friends of Lake McQueeney.

There being no additional public comment, Mr. Palmer discussed an opportunity for low interest funding from the Texas Water Development Board as part of the Clean Water State Revolving Fund Loan Program. Following review and discussion, Director Gillum moved to authorize ABHR and Mr. Palmer to take the necessary steps to make application, as discussed. Director Norris seconded the motion, which passed unanimously.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

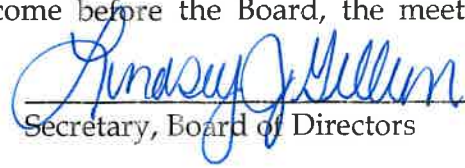
The Board determined that it was not necessary to convene in executive session.

MEETING SCHEDULE

The Board concurred to hold its next meeting on April 19, 2023, at 4:00 p.m.

In a final public comment, as requested at the beginning of the meeting, Mr. Steve Pritchard asked the public attending the meeting in person and online to vote and support the proposed bond measures.

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


Secretary, Board of Directors

