

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

April 19, 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 19th day of April 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:

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 sheet; Calep Estes and Michael Willett of Touchstone District Services ("Touchstone"); Terrell Palmer of Post Oak Municipal Advisors LLC ("Post Oak"); Nellie Connally and Jane Miller of Allen Boone Humphries Robinson, LLP ("ABHR").

PUBLIC COMMENT

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

Mr. Rick Phelan commented regarding maintaining water levels around Treasure Island to keep trees alive during construction and asked that the Board discuss options with Guadalupe-Blanco River Authority.

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 March 9, 2023, regular meeting. Director Doughtie moved to approve the minutes. The motion was seconded by Director Mueller and passed unanimously.

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

Norris moved to approve the bookkeeper's report and payment of invoices. Director Gillum seconded the motion, which passed unanimously.

Director Doughtie next reviewed a draft budget for the fiscal year ending April 30, 2024. Following review and discussion, Director Gillum moved to adopt a budget for the fiscal year ending April 30, 2024. Director Mueller seconded the motion, which passed unanimously.

The Board conducted its annual review of the District's Investment Policy, and Ms. Connally stated that neither ABHR nor the bookkeeper have any recommended changes. After review and discussion, Director Mueller made a motion to adopt a Resolution Regarding Annual Review of Investment Policy and to direct that a copy of the resolution be filed and retained in the District's records. Director Doughtie seconded the motion, which passed unanimously.

Ms. Connally reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She noted that the list of qualified broker/dealers provided by the District's bookkeeper is attached as an exhibit to the Resolution. After review and discussion, Director Doughtie moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Mueller seconded the motion, which passed unanimously.

ORDER ADOPTING PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Connally stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. Ms. Connally added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. She explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. Ms. Connally added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, ABHR recommends that such procedures be adopted in writing by the Board. She reviewed an Order Adopting Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Norris moved to adopt the Order Adopting Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Gillum seconded the motion, which passed by unanimous vote.

ORDER ADOPTING PROCEDURES FOR POST-ISSUANCE COMPLIANCE

Ms. Connally stated that bonds issued by the District are generally subject to the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. She added that those provisions require that issuers comply with certain post issuance requirements (the "Requirements") for their bonds. Ms. Connally explained that the Board of Directors is ultimately responsible for post-issuance compliance for its bonds, with assistance by its consultants. She pointed out that while there is no express requirement that an issuer adopt written compliance procedures, the Internal Revenue Service (the "IRS") views the adoption of written procedures as demonstrating the issuer's intent to comply with the Requirements. Ms. Connally added that, in order to ensure that the District's procedures for post-issuance compliance are well documented, ABHR recommends that such procedures be adopted in writing by the Board of Directors. She reviewed the Order Adopting Procedures for Post-Issuance Compliance with the Board of Directors. Following review and discussion, Director Gillum moved to adopt the Order Adopting Procedures for Post-Issuance Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Mueller seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

There was no discussion or action taken for this agenda item.

UPDATE ON ELECTION

Ms. Connally discussed early voting hours and locations, and the Board concurred to post voting hours and locations on the District website and to send out a clarifying notification to email and text message subscribers through the District website.

APPROVE AMENDED AGREEMENT WITH POST OAK MUNICIPAL ADVISORS

Mr. Palmer reviewed a proposed Amendment to the District's Municipal Advisory Contract with Post Oak. Following review and discussion, Director Worth moved to approve the proposed amendment. Director Doughtie seconded the motion, which passed unanimously.

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

Mr. Palmer discussed an application in progress for funding through the Texas Water Development Board Clean Water State Revolving Fund Loan Program and said that the District should expect an invitation to make application for 2024 funding.

UPDATE FROM ENGINEERING COMMITTEE AND MATTERS RELATED TO GBRA

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. Discussion ensued regarding the scope of work required pursuant to the District's contract with GBRA, advertised bids for construction, value engineering completed prior to advertising for bids, and design costs paid by GBRA.

Director Gillum said that the Board will communicate Mr. Phelan's concern regarding water levels around Treasure Island during construction to GBRA.

WEBSITE AND COMMUNICATION MATTERS

Director Norris reported regarding updates to the District website.

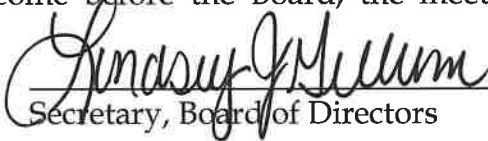
EXECUTIVE SESSION

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

MEETING SCHEDULE

The Board concurred to hold its next meeting on May 17, 2023, at 4:00 p.m.

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


Secretary, Board of Directors

