

BAUER LANDING WATER CONTROL AND IMPROVEMENT DISTRICT

Minutes of Meeting September 8, 2021

The Board of Directors (the "Board") of Bauer Landing Water Control and Improvement District (the "District") met in regular session, open to the public, at 12:00 p.m. on September 8, 2021, at the regular meeting place located outside the boundaries of the District, whereupon the roll was called of the members of the Board, to-wit:

Donn A. Land	President
Don Riggs	Vice President
Kameron Pugh	Secretary
Juan Olivo	Treasurer
Keith Arrant	Assistant Secretary

All members of the Board were present, except Director Olivo, thus constituting a quorum. Also attending were: Sergio Handal of Pape-Dawson Engineers, Inc. ("PDE"); Carolyn Walker and Mary Lutz of McLennan & Associates (the "Bookkeeper"); Brenda McLaughlin and John McLaughlin of Bob Leared Interests ("Tax Assessor/Collector"); Scott Gray of Champions Hydro-Lawn, Inc. ("Champions"); Corey Howell of The GMS Group ("Financial Advisor"); Andrew P. Johnson, III, and Caleb D. Villarreal, attorneys, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP"); and Keith Arrant, a resident of the District.

The meeting was called to order at 12:05 p.m. and evidence was presented that public notice of the meeting had been given in compliance with Texas law.

PUBLIC COMMENT. There was no public comment.

APPROVE MINUTES OF MAY 4, 2021 BOARD MEETING. Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board approved the minutes of the May 4, 2021 Board meeting.

RESOLUTION REGARDING DISTRICT'S TAX CHARACTERIZATION FOR YEAR 2021 ("RESOLUTION"). Mr. Johnson reviewed the differences between low tax rate, developing, and developed districts and stated that the District is currently issuing bonds to reimburse the Developer, which would categorize the District as a developing district. Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present aye, the Board approved the Resolution designating the District as a developing district for the 2021 tax year.

FINANCIAL ADVISOR'S REPORT.

Recommendation on 2021 Tax Rate. Mr. Howell reviewed the 2021 Tax Rate Recommendation, a copy of which is attached hereto as Exhibit "A".

The District will be levying a tax against approximately \$202 million in taxable value this year, which is an increase from last year's value of \$152 million. The increase is due to the

continued development and home building program in the District. Mr. Howell recommended setting a debt service tax for 2021 of \$0.41 per \$100 of assessed valuation, which will cover current and future bond indebtedness, plus \$0.34 per \$100 of assessed valuation for maintenance and operations tax for a total rate of \$0.75 per \$100 of Assessed Valuation. The District levied \$0.77 per \$100 of Assessed Valuation in 2020. He further stated that the average home taxable values have increased from \$209,204 in 2020 to \$225,333 in 2021.

Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board authorized the Tax Assessor/Collector to (i) publish notice of a proposed tax rate of \$0.75 per \$100 of assessed valuation.

[Mr. Howell exited the meeting.]

BOOKKEEPER'S REPORT. The President recognized Ms. Walker who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B". Director Pugh noted that all invoices related to the concrete pilot channel project should be paid out of the Capital Projects Fund.

Upon motion by Director Pugh seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report along with the checks presented therein.

TAX ASSESSOR/COLLECTOR'S REPORT. Ms. McLaughlin reviewed the Tax Report for the period ending August 31, 2021, a copy of which is attached hereto as Exhibit "C". She noted that the District is 99.839% collected for the 2020 tax year. Ms. McLaughlin next reviewed the Delinquent Tax Report, a copy of which is attached hereto as Exhibit "D".

Upon motion by Director Riggs, seconded by Director Pugh, after full discussion and all Directors present voting aye, the Board approved (i) the Tax Assessor/Collector's Reports along with checks presented therein; and (ii) the Delinquent Tax Report.

ENGINEERING REPORT. Mr. Handal presented to and reviewed with the Board the Engineering Report, a copy of which is attached hereto as Exhibit "E". Mr. Handal stated that PDE recommends the Board approve Pay Estimate Nos. 4, 5, and 6 in the amounts of \$505,024.99, \$299,248.80, and \$49,781.70, respectively, payable to Clearwater Utilities, Inc. in connection with the projects related to Bauer Sunlight Drive Street Section 2 and Reserve Water, Sanitary Sewer and Paving Facilities.

Mr. Handal also requested the Board's authorization to advertise the Bauer Landing Drainage Facilities Improvements project for bids.

Upon motion by Director Riggs, seconded by Director Pugh, after full discussion and with all Directors present voting aye, the Board (i) approved Pay Estimate Nos. 4, 5, and 6 in the amounts of \$505,024.99, \$299,248.80, and \$49,781.70, respectively, payable to Clearwater Utilities, Inc. in connection with the projects related to Bauer Sunlight Drive Street Section 2 and Reserve Water, Sanitary Sewer and Paving Facilities; (ii) authorized PDE to advertise the Bauer

Landing Drainage Facilities Improvements project for bids.; and (iii) approved the Engineer's Report.

DETENTION AND DRAINAGE FACILITIES REPORT ("Report"). The President recognized Mr. Gray who presented to and reviewed with the Board the Detention and Drainage Facilities Report, a copy of which is attached hereto as Exhibit "F".

Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board approved the Report.

DEVELOPER'S REPORT. There was no report.

ATTORNEY'S REPORT.

Detention Pond Vandalism. Mr. Johnson updated the Board regarding the status of the District's lawsuit against the individual involved in the detention pond vandalism.

Legislative Update. Mr. Villarreal presented to and reviewed with the Board, a memo entitled "Legislative Update for the 87th Texas Legislature (2021)", which summarizes the actions of the recently concluded legislative session, with particular attention to changes in law that directly affect the District.

NEXT BOARD MEETING. The Board authorized the Tax Collector to publish notice of a public hearing on the proposed tax rate for October 26, 2021 at 9:00 a.m. at the meeting place located within the boundaries of the District.

ADJOURNMENT. There being no further business to come before the Board, the Board concurred to adjourn the meeting at 1:06 p.m.

[EXECUTION PAGE FOLLOWS]

PASSED, APPROVED AND ADOPTED this 26th day of October, 2021.



Secretary, Board of Directors

- "A" – Tax Rate Analysis
- "B" – Bookkeeper's Report
- "C" – Tax Collector's Report
- "D" – Delinquent Tax Report
- "E" – Engineer's Report
- "F" – Detention and Drainage Facilities Report