

# BAUER LANDING WATER CONTROL AND IMPROVEMENT DISTRICT

## Minutes of Meeting January 5, 2022

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 January 5, 2022, 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, thus constituting a quorum. Also attending were: Sergio Handal and Meghan Jordan of Pape-Dawson Engineers, Inc. ("PDE"); Carolyn Walker of McLennan & Associates ("Bookkeeper"); John McLaughlin of Bob Leared Interests ("Tax Assessor/Collector"); Scott Gray and Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Tim Applewhite of McGrath and Company, Inc.; Corey Howell of the GMS Group ("Financial Advisor"); and Andrew P. Johnson, III, and Caleb Villarreal, attorneys, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP").

The meeting was called to order at 12:10 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 OCTOBER 26, 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 October 26, 2021 Board meeting.

ENGINEERING REPORT. Mr. Handal presented to and reviewed with the Board the Engineering Report, a copy of which is attached hereto as Exhibit "A". Mr. Handal stated that PDE recommends the Board approve Pay Estimates Nos. 7 and 8 in the amounts of \$5,850 and \$136,176.50 respectively, payable to Clearwater Utilities in connection with Bauer Landing Section 8, and Bauer Sunlight Drive Street Dedication Section 2 Water, Sanitary Sewer, Drainage and Paving Facilities project ("Project"). Mr. Handal also presented Change Order Nos. 2 and 3 in the amounts of \$379,248.50 and \$8,500.00, respectively, in connection with the Project.

Mr. Handal then stated that LGI has purchased a 179.3-acre tract next to the Bauer Landing subdivision. LGI would like the District to annex the tract. The tract will have its own detention pond. Mr. Johnson suggested the Board authorize the District Engineer to prepare an annexation feasibility study for the Board's review at the next meeting.

Mr. Handal also discussed erosion issues at the drainage area. Mr. Handal stated that PDE suggests clearing and filling the existing natural drainage area. Discussion ensued and the Board agreed to hold a drainage improvement workshop.

Next, upon motion by Director Pugh, seconded by Director Olivo, after full discussion and with all Directors present voting aye, the Board (i) approved Pay Estimates Nos. 7 and 8 in the amounts of \$5,850 and \$136,176.50 respectively, payable to Clearwater Utilities in connection with the Project; (ii) approved Change Order Nos. 2 and 3 in the amounts of \$379,248.50 and \$8,500.00, respectively, in connection with the Project; (iii) authorized PDE to prepare an annexation feasibility study for the Bauer West tract; and (iv) approved the Engineer's Report.

[Mr. Handal departed the meeting.]

INSURANCE POLICY RENEWAL. Upon motion by Director Pugh, seconded by Director Olivo, after full discussion and with all Directors present voting aye, the Board approved the proposal submitted by Arthur J. Gallagher, a copy of which is attached hereto as Exhibit "B".

AUDIT ENGAGEMENT LETTER. Mr. Applewhite presented to and reviewed with the Board the engagement letter updated to comply with newly adopted regulations. Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board approved the Audit Engagement Letter, a copy of which is attached hereto as Exhibit "C".

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 "D".

Upon motion by Director Pugh seconded by Director Olivo, 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. Mr. McLaughlin reviewed the Tax Report for the period ending December 31, 2021, a copy of which is attached hereto as Exhibit "E". He noted that the District is 78% collected for the 2021 tax year.

Upon motion by Director Riggs, seconded by Director Olivo, after full discussion and all Directors present voting aye, the Board approved the Tax Assessor/Collector's Reports along with checks presented therein.

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.

UNLIMITED TAX REFUNDING BONDS, SERIES 2021. The President next recognized Mr. Howell who discussed the District's proposed Series 2022 Refunding Bond Issue (the "Refunding Bonds"). Mr. Howell presented to and reviewed with the Board cash flows detailing the effects that the proposed Refunding Bonds would have on the District's debt service, a copy of which is attached hereto as Exhibit "G". Mr. Howell noted that it is projected that the Refunding Bonds would produce approximately \$559,173 in total debt service savings, after the issuance costs, based on today's market conditions. Mr. Howell then reviewed the costs of the transaction with the Board. Mr. Howell further explained that the Unlimited Tax Bonds, Series 2017 (the "Refunded Bonds") would be called on or around March 3, 2022. Next, Mr. Howell presented to and reviewed with the Board the Preliminary Official Statement ("POS").

Next, Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board (i) appointed Director Pugh as the Authorized Representative, with Director Land as the Alternate Authorized Representative, who will act as the Board's Representative to approve the pricing of the Bonds if the underwriters of the bonds present a transaction with a 4.5 percent interest rate in present value savings or greater with a principal amount of bonds not to exceed \$6.5 million (ii) approved SAMCO Capital Markets as the underwriter for the Series 2022 Refunding Bonds; (iii) approved the POS; (v) approved and authorized execution of the Bond Order, the Paying Agent and Transfer Agency Agreement with The Bank of New York Mellon Trust, N.A. and all other required documents in connection with the sale and issuance of the Refunding Bonds; and (vi) authorized the Attorney General review fee.

DEVELOPER'S REPORT. There was no report.

ATTORNEY'S REPORT.

Order Calling May 7, 2022 Director Election ("Order"). Mr. Johnson reminded the Board that the Directors Election is scheduled on Saturday, May 7, 2022, if needed. The District will be able to hold a joint election with Harris County. If no more than two (2) persons apply for a place on the ballot there will be no need to hold the Election.

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

NEXT BOARD MEETING. The Board agreed to hold its next meeting and detention pond workshop in the District on March 8, 2022 at 9 a.m.

ADJOURNMENT. There being no further business to come before the Board, the Board concurred to adjourn the meeting at 1:15 p.m.

[EXECUTION PAGE FOLLOWS]

PASSED, APPROVED AND ADOPTED this 8th day of March, 2022.



Secretary, Board of Directors

- "A" Engineering Report
- "B" Insurance Policy
- "C" Audit Engagement
- "D" Bookkeeper Report
- "E" Tax Collection Report
- "F" Detention and Drainage Facilities Report
- "G" Cash Flow Analysis