

BAUER LANDING WATER CONTROL AND IMPROVEMENT DISTRICT

Minutes of Meeting September 8, 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 Thursday, September 8, 2022, at the regular meeting place located inside 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 Arrant, thus constituting a quorum. Also attending were: Megan Jordan of Pape-Dawson Engineers, Inc. ("PDE"); Carolyn Walker of McLennan & Associates ("Bookkeeper"); Corey Howell of The GMS Group ("Financial Advisor"); John McLaughlin of Bob Leared Interests ("Tax Assessor/Collector"); Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Caleb D. Villarreal, attorney, of Johnson Petrov LLP ("JP").

The meeting was called to order at 9:01 a.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 11, 2022 BOARD MEETING. Upon motion by Director Pugh, seconded by Director Olivo after full discussion and with all Directors present voting aye, the Board approved the minutes of the May 11, 2022 Board meeting.

RESOLUTION REGARDING DISTRICT'S TAX CHARACTERIZATION FOR YEAR 2022 ("RESOLUTION"). Mr. Villarreal 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 2022 tax year.

FINANCIAL ADVISOR'S REPORT.

Recommendation on 2022 Tax Rate. Mr. Howell reviewed the 2022 Tax Rate Recommendation, a copy of which is attached hereto as Exhibit "A".

The District will be levying a tax against approximately \$295 million in taxable value this year, which is an increase from last year's value of \$203 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 2022 of \$0.41 per \$100 of assessed valuation, which will cover current and future bond indebtedness, plus \$0.32 per \$100 of assessed valuation for maintenance and operations tax for a total rate of \$0.73 per \$100 of Assessed Valuation. The District levied \$0.75 per \$100 of Assessed Valuation in 2021. He further stated that the average home taxable values have increased from \$224,921 in 2021 to \$255,922 in 2022.

Upon motion by Director Pugh, seconded by Director Olivo, after full discussion and with all Directors present voting aye, the Board authorized the Tax Assessor/Collector to publish notice of the tax rate public hearing for October 13, 2022 at 12 p.m. of a proposed tax rate of \$0.73 per \$100 of assessed valuation.

Order Adopting Preliminary Official Statement ("POS"), Notice of Sale and Authorizing Distribution Thereof for Unlimited Tax Bonds, Series 2022 Bonds. Next, Mr. Howell, presented to and reviewed with the Board the POS, a copy of which is attached hereto as Exhibit "B". Mr. Howell stated that the proposed Bonds would be issued to purchase certain drainage facilities from the Developer. Mr. Howell pointed out that the District has good reserves and the proposed tax rate of \$0.73 per \$100 of tax value will remain unchanged after the Bonds are issued. Mr. Howell next stated that a credit assessment has been requested from Standard & Poor's.

Next, upon motion by director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board (i) approved the POS; and (ii) adopted the Order Adopting the Preliminary Official Statement, approving Notice of Sale and Authorizing Distribution thereof.

BOOKKEEPER'S REPORT. The President recognized Mrs. Walker who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C".

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; and the Investment Report.

TAX ASSESSOR/COLLECTOR'S REPORT. Mr. McLaughlin reviewed the Tax Report for the period ending August 31, 2022, a copy of which is attached hereto as Exhibit "D". He noted that the District is 99.706% 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.

ENGINEERING REPORT. Ms. Jordan presented to and reviewed with the Board the Engineering Report, a copy of which is attached hereto as Exhibit "E".

Next, upon motion by Director Pugh, seconded by Director Olivo, after full discussion and with all Directors present voting aye, the Board (i) Pay Application No. 11 in the amount of \$341,323.65 to Clearwater Utilities, Inc. in connection with the Bauer Landing Section 8 and Bauer Sunlight Street Dedication, Section 2 projects; and (ii) approved the Engineer's Report.

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

Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board approved the Report and authorized the trash drain repair at the North Pond in an amount not to exceed \$1,000.

ATTORNEY'S REPORT.

Petition to District for Annexation of the 173 acre tract. Mr. Villarreal then presented to and reviewed with the Board the Petition for Annexation submitted by LGI Homes – Texas. Upon motion by Director Riggs, seconded by Director Pugh, after full discussion and with all Directors present voting aye, the Board approved the Petition; and authorized submittal of the annexation application to the City of Houston for approval.

Reimbursement Agreement with LGI Homes – Texas. Upon motion by Director Pugh, seconded by Director Riggs, after full discussion and with all Directors present voting aye, the Board approved the Reimbursement Agreement with LGI Homes – Texas.

ADJOURNMENT. There being no further business to come before the Board, the Board concurred to adjourn the meeting at 1:35 p.m.

PASSED, APPROVED AND ADOPTED this 13th day of October, 2022.



Secretary, Board of Directors

- "A" Tax Rate Recommendation
- "B" Preliminary Official Statement
- "C" Bookkeeper Report
- "D" Tax Collection Report
- "E" Engineering Report
- "F" Detention and Drainage Facilities Report