

# CLL MUNICIPAL UTILITY DISTRICT NO. 1

## Minutes of May 7, 2025 Special Meeting

A special meeting of the Board of Directors of CLL Municipal Utility District No. 1, open to the public, was held outside the boundaries of the District at 12:00 p.m. on May 7, 2025, at the offices of WBW Development, LLC, 109 W. 2nd Street, Suite 201, Georgetown, TX 78626, for the following purposes:

The roll was called of the members of the Board of Directors, to-wit:

Ken Ray  
David Marshall  
Dan Corbin  
Larry Linder  
Mark Ramseur

All said Directors were present, thus constituting a quorum of the Board of Directors. All directors present voted on all matters that came before the Board. Others in attendance included Richard Hamala and Jonathan Cochran, representing Tiemann, Shahady & Hamala, P.C.; Travis Parks, representing WBW Development; Allen Douthitt, representing Bott and Douthitt PLLC; Lauren Smith, representing Public Finance Group LLC; Scott Brooks, representing Jones-Heroy & Associates, Inc., and Clayton Chandler, representing McCall Parkhurst and Horton LLP.

1. Review and approve minutes of the previous Board meeting.

Director Ramseur made a motion to approve the minutes of the previous Board meeting; the motion was seconded by Director Marshall, and unanimously carried by the Board.

2. Receive public comments; receive Director comments for future agenda items.

None.

3. Operator's report.

Mr. Cochran addressed the Board in Mr. Hendrix's absence. Currently, we have 374 occupied single-family connections and 418 total connections. The estimated population of the District is 1,122. Customer billing totals for the month of April was \$76,440.71, up from \$37,289.57 in March. There are no issues to report.

4. Consider and take action regarding facility operation and maintenance, utility service, billing, and collections.

No action.

5. Engineer's report.

Mr. Brooks addressed the Board. Regarding the current bond issuance, Jones-Heroy requested a pre-purchase inspection on April 8, 2025 and attended the pre-purchase inspection on April 15, 2025. TCEQ issued a letter of no deficiencies on April 28, 2025. Regarding Schwertner Ranch Phase 5, the District approved Pay Application Nos. 1-3 at the April 7, 2025 board meeting. We have not received any additional pay applications to date.

6. Consider and take action to approve notices of award, pay applications, and construction documents as recommended by the District's Engineer.

No action.

7. Consider and take action to approve and authorize the filing of a revised district information form and boundary map for the District.

Mr. Cochran addressed the Board. At the February 2025 Board meeting, the Board approved annexing land into the District. After we annexed the land, it changed the boundaries of the District. Therefore, the District Engineers created new boundary maps to reflect the current, updated boundaries of the District. The revised district information includes the updated boundary maps, which we intend to record at the Williamson County Clerk. Director Corbin made a motion to approve and authorize the filing of a revised district information form and boundary map for the District; the motion was seconded by Director Ramseur, and unanimously carried by the Board.

8. Consider and take action to approve a Resolution Authorizing the District Engineer to Execute Pay Applications and Change Orders After Approval by Board of Directors.

Mr. Brooks addressed the Board. The function of this resolution is to expedite and streamline the pay application/change order process. Ordinarily, the pay applications are approved by the Board at the Board meeting; signed, sent back to the Engineer after the meeting, and compiled with the other signature pages. This resolution will allow the Engineer's to skip compiling signatures after approval by the Board; the President or Vice President will no longer need to sign – the pay applications and change orders will still be approved by the Board, as always. Director Corbin made a motion to approve a Resolution Authorizing the District Engineer to Execute Pay Applications and Change Orders After Approval by Board of Directors; the motion was seconded by Director Linder, and unanimously carried by the Board.

9. Financial Advisor's report.

10. Receive bids on \$1,905,000 Unlimited Tax Bonds, Series 2025; consider taking any necessary action regarding an Order Authorizing the Issuance of \$1,905,000 CLL Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2025; Levying an Ad Valorem Tax in support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Paying Agent/Registrar Agreement; Awarding the Sale of the Bonds; and authorizing other matters related to the issuance of the Bonds.

Ms. Smith addressed the Board and discussed the 6 bids that were received on the bonds. SAMCO Capital Markets was the low bidder on the bonds with a net effective interest rate of 4.984503%. Fidelity Capital Markets was the second lowest bidder with a new effective interest rate of 4.988138%. Raymond James & Associates, Inc. was right around 5.00%. The District can meet its debt service requirements and operations and maintenance requirements without changing the total tax rate of \$0.8220.

Ms. Smith explained that the District received approval from the TCEQ to issue the bonds at a maximum net effective interest of 4.90% with a recommendation to levy a debt tax rate, based upon no-growth, of \$0.7245 per \$100 assessed valuation. Over the past few months, the municipal bond market has experienced increases in tax-exempt municipal bond yields due to a variety of economic reasons, including the recent sharp increase in inflation. SAMCO's net effective interest rate bid of 4.984503%, which is higher than the maximum net effective interest rate of 4.90% recommended by TCEQ. However, a District may accept a bid with a net effective interest rate higher than recommended by TCEQ, if the higher interest rate does not affect the financial feasibility of the Bonds.

The Board then looked at a cash flow schedule, including the debt service schedule of the District's total debt including the Bonds, at a net effective interest rate of 4.984503%. The debt service tax rate necessary to repay the debt, based upon no-growth, a 99% collection rate, and the assessed valuation as of January 1, 2025 is \$0.6865, well under the current tax rate. The District's average percentage of total tax collections from 2020-2024 is 99.90%. The \$0.6865 no-growth debt service tax rate required to pay the District's total debt does not exceed the \$0.7245 no-growth debt service rate recommended by the TCEQ. Therefore, the higher interest rate does not affect the financial feasibility of the Bonds.

Mr. Chandler then addressed the Board and discussed the Order Authorizing the Issuance of \$1,905,000 CLL Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2025. Director Ramseur made a motion to approve an Order Authorizing the Issuance of \$1,905,000 CLL Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2025; Levying an Ad Valorem Tax in support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Paying Agent/Registrar Agreement; Awarding the Sale of the Bonds; and authorizing other matters related to the issuance of the Bonds; the motion was seconded by Director Linder, and unanimously carried by the Board.

11. Receive a report from the District's Bookkeeper and consider and act on approval of bills and invoices, director per diems, ratification of payments, and funding of Manager's account.

Mr. Douthitt addressed the Board and presented the Bookkeeper's report. Director Linder made a motion to approve payment of bills and invoices, director per diems, ratification of payments, funding of Manager's account, funds transfer from TexPool Operating Account to ABC Bookkeeper's Account, and funds transfer from ABC Service Collection Account to TexPool Operating Account; the motion was seconded by Director Corbin, and unanimously carried by the Board.

12. Review, discuss, and act on general District business, and such other matters as may come before the Board.

No action.

13. Consider future meeting date and adjournment.

The next meeting will be on June 4, 2025, at 4:00 p.m. Director Marshall made a motion to adjourn the meeting; the motion was seconded by Director Corbin, and unanimously carried by the Board.

APPROVED June 4, 2025

