AGENDA
LANCASTER MUNICIPAL UTILITY DISTRICT NO. 1

Notice is hereby given that the Board of Directors of **Lancaster Municipal Utility District No. 1** will meet in **special session**, open to the public, at **6060 N Central Expressway, Suite 400, Dallas, Texas 75206**, and via Microsoft Teams video/audio conference meeting at **12:00 p.m.** on **Tuesday, July 28, 2026**.

The Public may participate in the meeting using Microsoft Teams the link is:
Join the meeting now
If you are unable to open the hyperlink, please contact the Attorneys for the District at 713-850-9000
The Meeting ID is: **298 048 593 716**
The Passcode is: **Np9Kv3M2**

1. Hear from Public;
2. Consider reconstituting the Board of Directors;
3. Consider amending the District Registration Form and authorize filing with TCEQ;
4. Consider approving Minutes of Meetings;
5. Hear Developer's Report and take any action thereon;
6. Hear Tax Assessor/Collector's Report and take any action thereon, including:
   (a) consider approving payment of tax bills;
7. Hear Bookkeeper's Report and take any action thereon, including:
   (a) consider approving payment of the bills;
   (b) consider approving investment report; and
   (c) consider approving proposed budget for fiscal year ending July 31, 2027;
8. Hear Engineer's Report and take any action thereon, including:
   (a) consider authorizing Engineer to proceed with the design of District facilities;
   (b) consider approving plans and specifications of District facilities;
   (c) consider authorizing Engineer to advertise for bids for District projects;
   (d) consider authorizing construction contracts and related items; and
   (e) consider approving report, pay estimates and change orders for construction projects in the District;
9. Discuss Park Project and take any action thereon;
10. Hear Operator's Report and take any action thereon, including:
    (a) discuss operations of water plant facilities and wastewater treatment plant;
    (b) consider authorizing improvements, repairs and modifications to District's water supply and wastewater treatment systems; and
    (c) consider authorizing termination of water service to delinquent accounts;
11. Hear report from Attorney and take any action thereon, including:
    (a) consider authorizing Auditor to prepare Annual Audit for fiscal year ending July 31, 2026; and
    (b) consider approving Resolution Regarding Use of Surplus Funds without Further Approval by the Texas Commission on Environmental Quality.

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice with such closed session to be held at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations and/or gifts and donations.

EXECUTED this 21st day of July, 2026.

LANCASTER MUNICIPAL UTILITY DISTRICT NO. 1

By: ______________________________
Ryan E. LaRue
Sanford Kuhl Hagan Kugle Parker Kahn LLP
Attorneys for District

(SEAL)

Lancaster MUD No. 1 General Operating Fund
Profit & Loss Budget Performance
August 2025 through July 2026

	Actual as of 07/20/26	Budget FYE 2026	Proposed Budget FYE 2027
Income			
Water Revenue			
4100 · Customer Service Fees - Water	514,048.81	720,000.00	720,000.00
4101 · Bulk Waters Sales	125.00	0.00	0.00
Total Water Revenue	514,173.81	720,000.00	720,000.00
Sewer Revenue			
4200 · Customer Service Fees - Sewer	495,363.73	576,000.00	625,000.00
4210 · Grease Trap Inspections	20.00	0.00	0.00
Total Sewer Revenue	495,383.73	576,000.00	625,000.00
Other Revenues			
4300 · Garbage Service Revenue	239,983.23	234,800.00	297,000.00
4320 · Maintenance Taxes	1,601,974.09	1,255,807.00	1,526,155.00
4330 · Penalties and Interest	25,399.99	24,000.00	28,000.00
4380 · Termination/Reconnection/NSF Fe	40,778.93	24,000.00	42,000.00
4400 · Transfer/Connection Fees	2,117.02	6,000.00	3,000.00
4700 · Inspection Fees	0.00	24,000.00	0.00
5380 · Miscellaneous Income	0.00	250.00	250.00
5391 · Interest Income	73,776.32	147,000.00	87,000.00
Total Other Revenues	1,984,029.58	1,715,857.00	1,983,405.00
Total Income	2,993,587.12	3,011,857.00	3,328,405.00
Expense			
Water Expenses			
6100 · Bulk Water Purchases	513,406.95	515,000.00	548,000.00
6124 · Laboratory Expense	11,774.84	15,000.00	14,000.00
6126 · Permit Fees	2,192.75	1,500.00	2,200.00
6135 · Repairs & Maintenance	120,200.97	170,000.00	150,000.00
6170 · Tap Connection Expense	924.16	0.00	0.00
Total Water Expenses	648,499.67	701,500.00	714,200.00
Sewer Expenses			
6201 · Purchased Sewer Service	2,079,200.28	1,700,000.00	2,080,000.00
6235 · Repair and Maintenance	150,848.17	35,000.00	60,000.00
6252 · Utilities	180.56	400.00	400.00
6270 · Inspections	57.77	0.00	200.00
Total Sewer Expenses	2,230,286.78	1,735,400.00	2,140,600.00
Other Expenses			
6310 · Director Fees	5,525.00	11,050.00	11,050.00
6314 · Payroll Taxes	422.66	884.00	884.00
6320 · Legal Fees	82,447.54	120,000.00	120,000.00
6320.02 · Legal Fees - Park	25,379.50	25,000.00	25,000.00
6321 · Auditing Fees	18,000.00	18,500.00	19,500.00
6322 · Engineering Fees	154,260.53	135,000.00	135,000.00
6325 · Election Expense	302.66	0.00	0.00
6326 · TCEQ Assessment Fees	4,363.57	4,475.00	6,725.00
6332 · Operator Expense	128,138.51	120,000.00	145,000.00
6332.1 · Repairs and Maintenance - DP	0.00	1,000.00	1,000.00
6332.2 · Repairs and Maintenance - Park	0.00	1,000.00	1,000.00
6333 · Bookkeeping Fees	13,750.00	15,000.00	15,000.00
6335 · M&R - Other	0.00	10,000.00	10,000.00
6353 · Insurance	5,876.00	5,900.00	5,900.00
6354 · Travel Expense	826.55	1,500.00	1,500.00
6356 · Registration/Membership Fees	750.00	1,000.00	1,000.00
6357 · Website expenses	5,693.75	5,500.00	6,000.00
6359 · Other Expenses	5,367.02	3,400.00	5,500.00
6370 · Builder Inspections	127.08	0.00	200.00
6380 · Termination/Reconnection/NSF Ex	10,877.62	0.00	12,000.00
6391 · Grant Expenses	55,500.00	100,000.00	75,000.00
6399 · Garbage Expense	301,318.76	339,000.00	339,000.00
Total Other Expenses	818,926.75	918,209.00	936,259.00
Capital Outlay			
7302 · Capital Outlay - Water Meters	587,569.36	70,000.00	0.00
7303 · Capital Outlay - Park Project	0.00	0.00	372,500.00
Total Capital Outlay	587,569.36	70,000.00	372,500.00
Total Expense	4,285,282.56	3,425,109.00	4,163,559.00
Net Income	**-1,291,695.44**	**-413,252.00**	**-835,154.00**

Maintenance Tax - Value: $290,000,000 Rate: .537 @98% collections

Lancaster MUD

TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending [ ]**	Proposed Budget Fiscal Year Ending [ ]**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	$ 2,707.56	$ 2,924.02	$ 2,707.56

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to

$[____] per $100 of assessed value. Average homestead values are determined by the county appraisal district. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

**Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

***This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.