

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, December 9, 2025**.

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: **295 657 581 511 38**

The Passcode is: **NJ9jb9Qf**

1. Hear from Public;
2. Consider approving Minutes of Meeting held October 14, 2025;
3. Hear Auditor's Report and take any action thereon;
 - (a) consider approving Annual Audit for fiscal year ended July 31, 2025;
4. Hear Developer's Report and take any action thereon;
5. Hear Tax Assessor/Collector's Report and take any action thereon, including:
 - (a) consider approving payment of tax bills;
6. 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 amending the budget for fiscal year ending July 31, 2026;
7. 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;
8. Discuss Park Project and take any action thereon, including:
 - (a) consider approving construction contract for park project;
9. 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;
10. Hear report from Attorney and take any action thereon, including:
 - (a) consider amending the Rate Order.

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 2nd day of December, 2025.



LANCASTER MUNICIPAL UTILITY

By: _____

Ryan
Sanford

Lancaster MUD 1

	Budget FYE 7/31/26	Proposed Amended Budget FYE 7/31/26
<u>Income</u>		
Water Revenue	\$ 455,000.00	\$ 720,000.00
Sewer Revenue	440,000.00	576,000.00
Garbage Service Revenue	170,000.00	234,800.00
Maintenance Taxes	1,325,000.00	1,255,807.00
Penalties and Interest	24,000.00	24,000.00
Termination/Reconnection/NSF Fees	24,000.00	24,000.00
Transfer/Connection Fees	6,000.00	6,000.00
Inspection Fees	24,000.00	24,000.00
Impact / Builder Fees	0.00	0.00
Miscellaneous Income	250.00	250.00
Interest Income	147,000.00	147,000.00
Total Income	\$ 2,615,250.00	\$ 3,011,857.00
<u>Water Expenses</u>		
Purchased Water Service	\$ 515,000.00	\$ 515,000.00
Laboratory Fees	15,000.00	15,000.00
Permit Fees	1,500.00	1,500.00
Water Repair and Maintenance	170,000.00	170,000.00
Water Tap Connection Expense	0.00	0.00
<u>Sewer Expenses</u>		
Purchased Sewer Service	\$ 1,700,000.00	\$ 1,700,000.00
Sewer Repair and Maintenance	35,000.00	35,000.00
Utilities	400.00	400.00
Inspection Expense	0.00	0.00
<u>Other Expenses</u>		
Director Fees	\$ 11,050.00	\$ 11,050.00
Payroll Tax Expense	884.00	884.00
Legal Fees	120,000.00	120,000.00
Legal Fees - Park	25,000.00	25,000.00
Audit Fees	18,500.00	18,500.00
Election Expense	0.00	0.00
Engineering Fees	135,000.00	135,000.00
TCEQ Assessment Fees	4,475.00	4,475.00
Operations and Billing	120,000.00	120,000.00
Repairs & Maintenance - DP	1,000.00	1,000.00
Repairs & Maintenance - Park	1,000.00	1,000.00
Bookkeeping Fees	15,000.00	15,000.00
Repair and Maintenance - Other	10,000.00	10,000.00
Insurance	5,900.00	5,900.00
Travel Expense	1,500.00	1,500.00
Registration/Membership Fees	1,000.00	1,000.00
Website Expenses	5,500.00	5,500.00
Other Expenses	3,400.00	3,400.00
Builder Inspections	0.00	0.00
Inspection Expenses	0.00	0.00
Grant Expenses	100,000.00	100,000.00
Garbage Service Expense	339,000.00	339,000.00
<u>Capital Outlay</u>		
Capital Outlay - SS televising	\$ 0.00	\$ 0.00
Capital Outlay - Water Meters	70,000.00	70,000.00
Total Expense	\$ 3,425,109.00	\$ 3,425,109.00
Net Gain	\$ (809,859.00)	\$ (413,252.00)

Maintenance tax - Value \$260,507,384 Rate .4919 @ 98% collections

TAXPAYER IMPACT STATEMENT###

	Current Budget Fiscal Year Ending [Month Year]**	Proposed Budget Fiscal Year Ending [Month Year]**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$2708 ⁰⁰	\$2924 ⁰⁰	\$2708 ⁰⁰

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$19 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.

DISCLAIMER: This statement is prepared pursuant to Texas Government Code, Section 551.043(c) as amended by House Bill 1522, 89th regular session. This District has used Texas Water Code equivalent calculations in place of the Tax Code, Chapter 26 "no-new-revenue tax rate" referenced in HB 1522 and has used average the homestead value as required by Texas Water Code Section 49.236 rather than the median homestead values specified in HB 1522. These modifications are necessary because the referenced Tax Code provisions do not apply to the District.

Instructions for Preparation: This form is to be prepared by the Bookkeeper for the District and provided to the Attorney and Legal Assistant, along with the proposed budget, at least 10 days prior to the date of the meeting at which the proposed budget will be considered. Please note that the rates utilized below may not conform exactly to the O/M rate levied by the Board. The average homestead value should be the same for all calculations and should be the average resident homestead value shown in the most recent truth in taxation worksheet prepared by the Tax Assessor Collector on behalf of the District.

Taxes for Current Budget and No-New-Revenue Tax Rate Budget:

Average Homestead Value Shown in Most Recent Truth in Taxation Worksheet	X	O/M Tax Rate Used to Produce Projected O/M Levy in Current Budget
100		

Taxes for Proposed Budget:

Average Homestead Value Shown in Most Recent Truth in Taxation Worksheet	X	O/M Tax Rate Used to Produce Projected O/M Levy in Proposed Budget
100		

If the district does not levy an operations and maintenance tax to fund its operating budget, the above table and footnotes should be replaced with the following statement: [The][Name of District] does not levy an operations and maintenance tax to fund its operations and maintenance budget, and the proposed operations and maintenance budget will not impact the property tax bill of a homestead within the boundaries of the [name of district].

If the district does not contain any resident homesteads as of the most recent certified values received from the CAD, the above table and footnotes should be replaced with the following statement: The proposed budget will have no impact on the property tax bill for an average resident homestead as there are currently no properties that qualify for a residential homestead exemption within the boundaries of [name of district] as of the date of the most recent certified values provided by [APPRAISAL DISTRICT].