MEETING OF THE BOARD OF DIRECTORS
OF
DELTA LAKE IRRIGATION DISTRICT

BE IT REMEMBERED that a Regular Meeting of the Board of Directors was held on May 20, 2026, with the following present:

Present were:	President, David Esau Vice President, Matthew Klostermann Secretary, Joe Pennington Director Paul Heller General Manager, Troy Allen Tax Assessor-Collector, Andrea Perez
Directors absent were:	Director, Chuck McDonald
Also present were:	Roberto Lopez, CPA Juan Salinas, CPA Abid Islas, CPA

A quorum being present, Board President, David Esau called the meeting to order at 8:30 a.m., and the Board of Directors of Delta Lake Irrigation District considered the following items:

Item #1: Approval of the minutes of the Regular Meeting held on May 20, 2026.

A MOTION WAS MADE by Director Heller and second by Director Klostermann to approve the May 20, 2026, minutes, with corrections.

Motion carried unanimous

Item #2: Public Forum Comments

None.

Item #3: Monthly report from Tax Assessor/Collector.

Tax Assessor-Collector Andrea Perez made the monthly tax report.

Item #4: Presentations: None.

Item #5: Plat Review and Exclusions: None

Item #6: Old Business: None

Item #7.1: Discussion and possible action on worker’s compensation renewal

A MOTION WAS MADE by Director Klostermann and second by Director Heller to approve the worker's compensation renewal proposal submitted by Texas Mutual for the In-Network plan at a monthly premium of $37,991.

Motion carried unanimous.

Item #7.2: Discussion and possible action on land swap moratorium.

A MOTION WAS MADE by Director Heller and second by Director Klostermann to approve a moratorium for land swaps (land substitutions).

Motion carried unanimous.

Item #4.1: Presentation of the 2025 Annual Financial Report – Robert Lopez CPA, PC

Roberto Lopez, CPA presented the 2025 Annual Financial Report for the District. He explained the difference sections and answered questions.

Item #4.2: Consideration and possible action on Approving the 2025 Annual Financial Report

A MOTION WAS MADE by Director Pennington and second by Director Heller to approve the 2025 Annual Financial Report, as presented.

Motion carried unanimous.

Item #7.3: Discussion and possible action on Delta Lake Irrigation District water bank.

A MOTION WAS MADE by Director Klostermann and by Director Heller to approve the proposal for a water bank and water hedge/option program as presented by General Manager Allen.

Motion carried unanimous.

Item #7.4: Discussion and possible action on reviewing and possibly adjusting the TCDRS District's match rate.

A MOTION WAS MADE by Director Klostermann and second by Director Heller to approve the increase in the District's matching rate from 125% to 140%

Motion carried unanimous.

Item #8. Report of Manager & Professionals with discussion and possible action on District's property, finances, personnel, future events, legal matters and agenda items, <u>Including but not limited to, the below specified items, if any.</u>

Item #8.1: Water Update

General Manager Allen informed the Board the District has pumped 18,955 ac/ft and sold 13,070 ac/ft as of May 2026. The District's useable balance is 37,866 ac/ft and the storage balance is 41,067 ac/ft. The District pumped 940 ac/ft of no charge water and was allocated 2,965 ac/ft this period.

Item #8.2: Update on Grant BOR and TWDB J-19 project

General Manager Allen informed the Board the District applied for a BOR grant in 2024 and just received notice it was denied. The District was approved for a grant with TWDB in 2025 but have not received any funding yet.

Item #8.3: Update on Grant/Loan NADBank and TWBD, J-19, E-2, and M-5 canals

General Manager Allen informed the Board the District's grant application with NADBank will advance to round 2.

Item #9: Report of Directors on property, finances, personnel, future events, legal matters and agenda items, including but not limited to particular items specified below, if any.: None

Item #10: Approval of Vouchers.

A MOTION WAS MADE by Director Pennington and second by Director Klostermann to approve the vouchers for the month of mid-May 2026 to mid-June 2026.

Motion carried unanimous.

THERE BEING NO FURTHER BUSINESS, Board President, David Esau declared the meeting adjourned at 9:42 a.m.

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President, Board of Directors

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Secretary, Board of Directors