

**ORDER OF HEADWATERS MUNICIPAL UTILITY DISTRICT
OF HAYS COUNTY LEVYING
DEBT SERVICE AND MAINTENANCE TAXES
FOR 2025 TAX YEAR**

WHEREAS, Headwaters Municipal Utility District of Hays County (the "District") is a duly created and existing municipal utility district created and operating under Chapters 49 and 54 of the Texas Water Code, as amended;

WHEREAS, Section 54.601 of the Texas Water Code provides that at the time bonds payable in whole or in part from taxes are issued, the board of a water district shall levy a continuing direct annual ad valorem tax for each year while all or part of the bonds are outstanding on all taxable property within the district in sufficient amounts to pay the interest on the bonds as it becomes due and to create a sinking fund for the payment of the principal of the bonds when due;

WHEREAS, Section 49.107 of the Texas Water Code provides that a district may levy and collect a tax for operation and maintenance purposes;

WHEREAS, at an election properly conducted in accordance with all applicable laws, the eligible residents of the District previously authorized the issuance of District tax bonds, and the levy and collection of District debt service and maintenance taxes;

WHEREAS, the District has issued its unlimited tax bonds pursuant to the foregoing authorization;

WHEREAS, the Board of Directors of the District approved a proposed ad valorem tax rate for the 2025 tax year at a meeting conducted on July 17, 2025;

WHEREAS, in accordance with the requirements set forth at Section 49.236 of the Texas Water Code and other applicable laws, the District has given proper notice and conducted a public hearing regarding the adoption of ad valorem tax rates for the 2025 tax year;

WHEREAS, after conducting the public hearing, the Board of Directors of the District desires to proceed with the levy and collection of a debt service tax and a maintenance tax for the 2025 tax year; and

WHEREAS, the District has complied with the applicable requirements of the Texas Water Code and other statutes relating to the procedures for establishing ad valorem taxes by municipal utility districts. Now, therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HEADWATERS MUNICIPAL UTILITY DISTRICT OF HAYS COUNTY THAT:

Section 1. The facts and recitations found in the preamble of this Order are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

Section 2. There is hereby levied for the 2025 tax year the following ad valorem taxes:

- (i) An ad valorem debt service tax rate of \$0.8750 on each \$100 of taxable value on all taxable property within the District; and
- (ii) An ad valorem maintenance tax rate of \$0.0250 on each \$100 of taxable value on all taxable property within the District.

Section 3. The Board of Directors hereby finds and declares that the tax rates adopted and levied by this Order do not exceed the maximum tax rates authorized by the voters of the District.

Section 4. All taxes collected pursuant to this Order, after paying reasonable costs of levying, assessing and collecting same, shall be used for authorized purposes, as may be specified by the Board of Directors in accordance with applicable laws.

PASSED AND APPROVED this 27th day of August, 2025.

By: [Signature]

Name: Brian Jacobs

Title: President

ATTEST:

By: [Signature]

Name: Drax Marlow

Title: Secretary

