

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

ANTHEM MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the “Board”) of Anthem Municipal Utility District (sometimes referred to herein as the “District”) met in regular session, open to the public, on the 12th day of August, 2020, by telephone conference to mitigate the spread of COVID-19 pursuant to the guidance provided by the Office of the Attorney General of the State of Texas, and the roll was called of the members of the Board of Directors, (herein referred to as the “Board”) to-wit:

Brandon Brydson	President
Matt Jacobs	Vice President
Nichole H. Scott	Secretary
Tammy Weber	Treasurer/Asst. Secretary
Eric B. Storm	Assistant Secretary

All members of the Board were present by telephone at the commencement of the meeting except Directors Jacobs and Scott. All directors present at the time the vote was taken voted on all items that came before the Board. Also present by telephone were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Judy McAngus, paralegal of Winstead PC ("Winstead"); Hank Smith with Atwell, LLC (“Atwell”), engineers for the District; Justin Taack with Bott & Douthitt, PLLC (“Bott & Douthitt”) and Andre Ayala with Hilltop Securities, financial advisor for the District. In addition, Clark Wilson, representing Kyle 150, LP, the current owner and developer of the land within the District was in attendance as was Kristi Hester with Inframark, LLC.

Judy McAngus explained a few guidelines for the telephone conference meeting regarding a request that each Board member confirm their name prior to making any motion or voting on such matters to insure that the public record of the meeting would be heard and accurately recorded. Notification to the public was given that the meeting was being recorded. The meeting was then called to order, evidence was presented that public notice of such meeting had been given as required by law and notice provided that the meeting would be recorded.

1. The Board called for public communications and comments however, none being heard, the Board moved on to the next item of business.

2. The Minutes from the Board’s July 8, 2020 regular meeting were presented for review and approval. Following a motion by Director Brydson, seconded by Director Weber and unanimously carried, said Minutes were approved as written.

3. Judy McAngus then confirmed receipt of the 2020 certified estimate of values for the District from the Hays Central Appraisal District, a copy of which is attached hereto as **EXHIBIT "A"**. It was noted that even though the values were referred to a certified estimate, in the District's case, there were no values under protest at the time the certified estimate was released.

4. The Board next reviewed a tax rate recommendation prepared by Andre Ayala with Hilltop Securities, the District's financial advisor, a copy of which is attached hereto as **EXHIBIT "B"** recommending an operating and maintenance tax rate of \$1.00 per \$100 valuation. It was noted that such proposed tax rate was competitive with other districts in the area. It was noted that since this was the District's initial year to levy a tax rate it would not be necessary to conduct a formal hearing with respect to a comparison to last year's rate since none existed; however, it was noted in future years, that the District would be adopting a formal Notice of Tax Rate Hearing and conducting such hearing in advance of setting its future tax rates.

5. Justin Taack with Bott & Douthitt reviewed a proposed draft operating budget for its upcoming fiscal year of October 1, 2020 to September 30, 2021 which was distributed to the Board. Following a review and discussion thereof, upon motion by Director Storm, seconded by Director Brydson and unanimously carried, the Board adopted a Resolution Adopting Operating Budget, a copy of which is attached hereto as **EXHIBIT "C"**. It was noted that the operations and maintenance tax rate set out in such budget is the same \$1.00 per \$100 valuation recommendation proposed by the District's financial advisor.

6. Following the approval of the District's operating budget for the District's upcoming fiscal year, the Board reviewed a proposed Order Setting Tax Rate for 2020, a copy of which is attached hereto as **EXHIBIT "D"**. Following a full discussion and motion by Director Brydson, seconded by Director Storm and unanimously carried, the Board approved said Order Setting Tax Rate for 2020. In connection with the levying of such tax rate, it was confirmed that Hays County, through the County Tax Assessor and Collector, would serve as the District's tax collector pursuant to an agreement approved by the District a few months ago.

7. With regard to a report from the developer, Clark Wilson who noted that construction of the District projects and that lots of progress had been made with the recent dry weather. He noted that he would hope to have substantial completion by the end of October. Also, he noted that they did not expect any further change orders with the on-going projects at this time. He noted that it appeared we may be delivering lots to builders a little ahead of schedule.

8. Next the Board reviewed Atwell's August 12, 2020 Engineer's Summary of construction and status of the four (4) separate construction projects currently underway by C. C. Carlton Industries, Ltd. ("CC Carlton") and the one (1) contract currently in progress by Joe Bland Construction L.P. ("Joe Bland") along with recommendations for related pay applications and change orders, which report is attached hereto as **EXHIBIT "E"**. He noted that at the next meeting he would have a few additional change orders for the Board's review and approval. By motion of Director Weber, seconded by Director Brydson and unanimously carried, the following recommended Atwell payments under the stated construction contracts were unanimously approved:

Anthem Phase 1-A contract with CC Carlton:
Pay Application No. 7 (\$893,241.72).

Anthem Phase 1-B contract with Joe Bland:
Pay Application No. 1 (\$165,497.40)

Anthem RM 150 – Offsite Water contract with CC Carlton:
Pay Application No. 5 (\$216,170.01).

Anthem Offsite Wastewater contract with CC Carlton:
Pay Application No. 8 (\$42,271.19).

Anthem Hoover Drive Station – Onsite Water contract with CC Carlton:
Pay Application No. 4 (\$123,804.00).

With regard to Anthem Phase 1-B, Mr. Smith reiterated that the construction contract had been awarded to Joe Bland just following the June meeting and that the notice of award and notice to proceed had been issued with work underway at this time. He noted that the schematic land plan designs had been completed for the Anthem Amenity Center, the Condo Site in Phase 1-C and also for Phase 2.

The record shall reflect that copies of all approved pay applications are attached collectively as **EXHIBIT “F”**.

9. Upon motion by Director Brydson, seconded by Director Storm and unanimously carried, the Board approved the final form of the FM 150 Water Facilities Service, Financing, and Construction Agreement (sometimes referred to as the “Multi-Party Agreement”) as it being noted that the fully executed version confirming the effective date of July 16, 2020 is attached hereto as **EXHIBIT “G”**.

Andy Barrett confirmed that the payments under the Multi-Party Agreement were due and payable to Kyle 150, LP though the participants were initially requested to direct their checks to the District. It was confirmed that none of the payments needed to be made payable to the District (since they were simply to reimburse Kyle 150, LP for funds it had expended on behalf of such parties) and following a recommendation by Mr. Barrett, and motion by Director Brydson, seconded by Director Storm and unanimously carried, the Board consented to and authorized the endorsement from the District to Kyle 150, LP of any checks received by the District under the terms of such Multi-Party Agreement. Also, the Board requested that such future invoicing under the Multi-Party Agreement clearly denote that payments are due to Kyle 150, LP.

10. In addition, Just Taack with Bott & Douthitt presented and reviewed an August 12, 2020 Accounting Report to the Board. Following a motion by Director Brydson, seconded by Director Weber and unanimously carried, the Board approved the report and payments listed thereon. A copy of such report is attached hereto as **EXHIBIT “H”**.

11. The Board then confirmed their next proposed regular meeting date as Wednesday, September 9, 2020 at 11:30 a.m.

There being no further business to conduct, Director Storm moved that the meeting be adjourned, which motion was seconded by Director Weber and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 9th day of September, 2020.



Eric Storm, Assistant Secretary
Board of Directors
Anthem Municipal Utility District

