

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

CROSSWINDS MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Crosswinds Municipal Utility District (sometimes referred to herein as the "District") met in special session, open to the public, on the 9<sup>th</sup> day of July, 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:

Amy Laine	President
Lee Weber	Vice President
Elizabeth P. Edwards	Secretary
Anthony Dell'Abate	Assistant Secretary
Michael Gideon	Assistant Secretary

All members of the Board were present by telephone at the commencement of the meeting with the exception of Director Laine and Dell'Abate. He records shall reflect that Director Laine joined the meeting during the discussion of item 3 and prior to the vote thereon. All members participating at the time a vote was taken, voted on all matters that came before the Board. Also present by telephone were Andy Barrett with Andy Barrett & Associates, PLLC, Judy McAngus, paralegal with Winstead PC, Ronnie Moore with Carlson, Brigrance & Doering, Inc. ("CB&D"), engineer for the District, Kristi Hester and Makenzi Scales with Inframark, the District's operations firm, Justin Taack with Bott and Douthitt, PLLC ("Bott & Douthitt"), the District's bookkeeping firm, and Ja-Mar Prince with Texas Disposal Systems, Inc. ("TDS"), the District's refuse collection and disposal and single stream recycling service provider. In addition, Greg Rich, Randy Barnett and Terry Howe, representing Development Solutions CW, LLC ("Dev Sol"), the current developer of lands within the District, joined into the telephone conference also.

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 ensure 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, and evidence was presented that public notice of such meeting had been given as required by law.

1. The Board called for public comments. Hearing no comments, the Board continued on to the next item of business.

2. The Board acknowledged receipt of a copy of the draft minutes of the Board's June 11, 2020 regular meeting and following a review and motion by Directors Weber, seconded by Director Edwards and unanimous approval, said Minutes were approved as written.

3. The Board recognized Ja-Mar Prince with TDS who presented the form of a new form of contract for the continued provision to the District of refuse collection and disposal and single stream recycling services. The record shall reflect that Director Laine entered the meeting at this point. The changes in the proposed contract were high-lighted by Mr. Prince in his presentation with Andy Barrett providing additional details and following such discussion, upon motion by Director Weber, seconded by Director Gideon and unanimously carried, the Board approved said contract, a copy of which is attached hereto as **EXHIBIT "A"**.

4. The Board recognized Ronnie Moore with CB&D who referred the Board to CB&D's Engineering Report for the current meeting, a copy of which is attached hereto as **EXHIBIT "B"**. The report updated the Board with regard to the status of the Preliminary Plans for Crosswinds, Phase 3 through 5 (Phase 3A, 3B, 4, 5A and 5B) for a total of 735 single family lots, which plans have been submitted to the City of Kyle for review. In addition, he noted that construction plans and the final plat are being prepared for Crosswinds, Phase 3A. He reiterated that Phase 3A will extend Crosswinds Parkway all the way to Go Forth Road and thus, provide two separate entrances/exists for the District. In addition, he stated that construction plans for the elevated water storage tank are slated to be submitted for review by July 15<sup>th</sup>. He confirmed that there were no action items to be approved by the Board.

5. Upon motion by Director Edwards, seconded by Director Laine and unanimously carried, the Board approved an Order Adopting Section 49.2731 Electronic Bidding Rules should the District engineers propose to recommend handling any future construction bids in such allowable manner, a copy of which is attached hereto as **EXHIBIT "C"**.

6. Terry Howe updated the Board with regard to the home construction going on in the District noting that there are 280 homes on the ground, 226 of which are occupied, with 5 model homes, 44 new homes under construction and 13 homes that are completed but not yet occupied. Also he noted that thus far this month they have been notified of 11 additional new home closings pending for the month of July not counting any pending closings for Highland Homes.

In addition, Greg Rich noted that the net sales month to month from January through June of 2020 (114) have been nearly twice as high over the same period of 2019 (66 ) and 2020 is trending for 220 to be in the range of 195 to 210 home sales. He also noted that the builders sold 11 homes on July 4<sup>th</sup> (4 homes for each of the 3 builders).

7. With regard to the existing water and sewer related agreements, Andy Barrett reviewed a proposed First Amendment to Professional Services Agreement between the District and Inframark, LLC, noting that the amendment simply deleted the provision of bookkeeping related services and the associated costs to the District and added in a \$500 operations management fee as relate to the water and sewer related services that Inframark currently provides. Following a review thereof, upon motion by Director Gideon, seconded by Director Laine and unanimously carried, the board approved said amended agreement, a copy of which is attached hereto as **EXHIBIT "D"**.

In addition, Mr. Barrett noted that he had yet received comments back from the City of Kyle ("City") with regard to a proposed form of Amendment to the existing Retail Water and Wastewater Service Agreement between the District and City with regard to a design change to a tear drop type of water storage tank that will provide the required water storage capacity but at a cost savings to the District. He indicated that he would again reach out as to the status of such review.

8. Justin Taack with Bott & Douthitt, the District's new bookkeeping firm, reviewed an Accounting Report which included a Review of the Cash Activity Report, including receipts and expenditures, a summary of action items and a set of May 31, 2020 Financial Statements, as attached hereto as **EXHIBIT "E"**. It was noted that Director Dell'Abate's check would be voided due to his absence from the meeting. Following such review and upon motion by Director Edwards, seconded by Director Gideon and unanimously carried, the Board approved the Accounting Report which included the approval of director and vendor payments and the fund transfers as set out therein.

9. It was noted that it was timely for the Board to include certain updates to its existing Order Approving an Investment Policy and Appointing an Investment Officer which included a change in the District's Investment Officer (from Kristi Hester to Mary Bott and Allen Douthitt). Upon motion by Director Laine, seconded by Director Gideon and unanimously carried, the Board adopted such updated order, a copy of which is attached hereto as **EXHIBIT "F"**.

10. With regard to operational matters, Kristi Hester with Inframark reviewed her written report, a copy of which is attached hereto as **EXHIBIT "G"**, updated the Board with regard to recent inspections of the two (2) separate storm water ponds and sand filter systems as well as the most recent builder's construction violation report summary. Ms. Hester noted that she would be working with the Crosswinds HOA management company to determine the District's share of landscape maintenance expenses that need had been provided but not yet billed to the District to hopefully clear out those related expense payments before the District's fiscal year end.

11. Judy McAngus explained that previously, special districts were not required to maintain websites of their own. However, Senate Bill 2, passed in 2019, stated that "[e]ach taxing unit shall maintain an Internet website or have access to a generally accessible Internet website that may be used for the purposes of this section," thereby creating a requirement that special districts, which have the ability to levy taxes, must have a website for the minimum purpose of posting tax-related information. House Bill 305, also passed in 2019, created additional requirements for website postings in the interest of government transparency. In addition, she noted that she had confirmed with Andy Barrett and through her firm had created a proposed District web link on Winstead's website that meets the requirements for compliance with these laws. Following a discussion, and upon motion by Director Edwards, seconded by Director Laine and unanimously carried, the Board authorized the official creation of the District website. Ms. McAngus noted that with that approval, the site should go live within the next week.

12. Judy McAngus presented a proposed Agreement for Services of Tax Advisor between the District and Assessments of the Southwest, Inc. ("ASW"). She noted that Corey Howell with GMS Group, L.L. C. ("GMS"), the District's financial advisor, had recommended

such firm. She explained that ASW would assist the District and its consultants by preparing the estimated tax rate worksheet and the new form of Water District Notice of Tax Rate Hearing beginning with the 2020 tax rate for an annual fee of \$300 as further set out in the agreement. She noted that the agreement also contained hourly rate and certain set fee services, that if the District determined was necessary, could additionally be provided under such agreement. Andy Barrett confirmed his review of such agreement and following a discussion and upon motion by Director Laine, seconded by Director Gideon and unanimously carried, the Board approved said agreement, a copy of which is attached hereto as **EXHIBIT "H"**.

13. The Board acknowledged receipt of the preliminary tax roll information from the Hays Central Appraisal District ("HCAD"). Judy McAngus noted that she would forward such information on to Corey Howell who would, upon receipt of the District's 2020 certified roll data from HCAD, prepare a tax rate recommendation for the Board's consideration at the next meeting. Greg Rich noted that they estimated that there were about 113 closings left in Phase 2 (13 of which were slated for the following Tuesday) as relate to estimated builder fee revenue collected at the lot sale closings and the District's operating budget for the upcoming fiscal year.

14. The Board confirmed a proposed regular meeting on August 13, 2020.

There being no further business to conduct, Director Edwards 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 13<sup>th</sup> day of August, 2020.



Elizabeth P. Edwards, Secretary  
Board of Directors  
Crosswinds Municipal Utility District