

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 regular session, open to the public, on the 10th day of September, 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 Dell'Abate. The record shall reflect Director Dell'Abate joined under item 2 herein. 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, and Kim Studdard, legal assistant, 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, and Justin Taack with Bott and Douthitt, PLLC ("Bott & Douthitt"), the District's bookkeeping firm. In addition, Terry Howe, representing Development Solutions CW, LLC ("Dev Sol"), the current developer of lands within the District, joined into the telephone conference as well.

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 reviewed the formal Notice of Public Hearing on Tax Rate, a copy of which is attached hereto as **EXHIBIT "A"**, that had been published as well as posted on the Hays County website as well as the District's website as required by law and called the hearing to order in accordance with such Notice and upon motion by Director Edwards, seconded by Director Gideon and unanimously carried. There being no persons present who wished to address the Board in connection with such hearing and upon motion by Director Gideon, seconded by Director Laine and unanimously carried, the hearing was adjourned.

3. Judy McAngus then discussed the proposed Operating Budget for the upcoming fiscal year of October 1, 2020 to September 30, 2021 as prepared by Bott & Douthitt. Ms. McAngus noted the projected revenues were decreased from those reflected in the preliminary budget presented at the last meeting to reflect actual proposed lot closings from an estimated 150 lots to 72 lots during the fiscal year as revenues now come in at lot closings to builders rather than during the building period as had previously been the case. Following a thorough review and discussion, upon motion by Director Laine, seconded by Director Edwards and unanimously carried, the Board adopted a Resolution Adopting Operations Budget, a copy of which is attached hereto as **EXHIBIT "B"**. It was noted that the operations and maintenance tax rate set out in such budget was \$0.40 per \$100 of assessed valuation.

4. In addition, the Board reviewed a proposed Debt Service Budget for the upcoming fiscal year of October 1, 2020 to September 30, 2021. It was noted that Corey Howell with GMS Group, LLC, the District's financial advisor, had included such budget in his recommendation of the proposed tax rate for 2020 which was presented and discussed at the Board's last meeting. Following a motion by Director Gideon, seconded by Director Edwards and unanimously carried, the Board approved a Resolution Adopting Debt Service Budget, a copy of which is attached hereto as **EXHIBIT "C"**. It was noted that the debt service tax rate set out in such budget was \$0.50 per \$100 of assessed valuation.

5. Following the approval of the District's operating budget and debt service budget for the District's upcoming fiscal year, the Board reviewed a proposed Order Setting Tax Rates for 2020, a copy of which is attached hereto as **EXHIBIT "D"**. It was noted that such 2020 rate would cover operations and debt service during the District's fiscal year of October 1, 2020 through September 30, 2021 and that taxes would begin being levied upon adoption of said Order Setting Tax Rate for 2020 and due by January 31, 2021. Following a full discussion and motion by Director Gideon, seconded by Director Edwards and unanimously carried, the Board approved said Order Setting Tax Rate for 2020.

6. The Board acknowledged receipt of a copy of the draft minutes of the Board's August 13, 2020 regular meeting and following a review and motion by Directors Laine, seconded by Director Weber and unanimous approval, said Minutes were approved as written.

7. 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 "E"**. 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 initially reviewed by the City of Kyle ("City") who had requested certain changes which had since been made and resubmitted to the City for a final review. In addition, he noted that CB&D are addressing a few final comments from the City in connection with Phase 3A, totaling 281 lots and stated that they would expect bidding for such project to

get underway in September. In addition, he noted final review comments had been received from the City and GBRA with regard to the elevated water storage tank and the engineers are now addressing such review comments. In light of information provided by Mr. Moore, Judy McAngus recommended the Board move forward with authorizing advertisement of bids for Phase 3A. Upon motion by Director Weber, seconded by Director Laine and unanimously carried, the Board authorized the advertisement of bids for Phase 3A.

8. Terry Howe updated the Board with regard to the home construction going on in the District noting they are hoping to wrap the bid process up soon so they can move ground in October or early November. Mr. Howe also noted that there are currently 322 homes on the ground with 274 occupied, and that there are an additional 68 homes in different phases of construction but have been slowed down due to recent rain delays. In addition, he noted that there were an additional 3 homes completed and unoccupied at this time.

9. In addition, Mr. Barrett noted that he was continuing to work with the 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.

10. Justin Taack with Bott & Douthitt, the District's bookkeeping firm, reviewed an Accounting Report which included a Review of the Cash Activity Report, including receipts and expenditures, a summary of action items as relate to vendor payments and the transfer of \$125,000 from the operating account to the District's TexPool account, a set of July 31, 2020 Financial Statements and bond payments due on October 1, 2020, as attached hereto as **EXHIBIT "F"**. It was noted that the District had currently collected 99.68% of taxes which left the District with a roughly \$400,000 positive budget. Upon motion by Director Weber, seconded by Director Edwards 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. Ms. McAngus then asked for an update with regard to status of opening of the bookkeeper's account as was previously authorized by the Board, and Mr. Taack confirmed that process had been initiated and that he would follow up with Mary Bott on whether or not that account had been opened.

11. With regard to operational matters, Kristi Hester with Inframark updated the Board with regard to the current Builder's Construction Violation Report and related pictures, a copy of which is attached hereto as **EXHIBIT "G"**. She reported that they were working very closely with builders to get lots cleaned up and that an erosion control inspection was performed on September 9, 2020 and results were expected to be received within the day.

12. It was then confirmed that an Executive Session was not needed at this time, and the Board confirmed a proposed regular meeting on October 8, 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 8th day of October, 2020.



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

