

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 12th day of November, 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, except Director Laine and Director Dell'Abate. 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 of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Judy McAngus, paralegal, and Kim Studdard, legal assistant, with Winstead PC; Ronnie Moore with Carlson, Brigrance & Doering, Inc. ("CB&D"), engineer for the District; Makenzi Scales with Inframark, LLC ("Inframark"), the District's operations firm; Justin Taack with Bott and Douthitt, PLLC ("Bott & Douthitt"), the District's bookkeeping firm; and Corey Howell with GMS Group, LLC ("GMS Group"), the District's financial advisor. In addition, the record shall reflect, Terry Howe, representing Development Solutions CW, LLC ("Dev Sol"), the current developer of lands within the District, joined into the telephone conference just after item 6 herein and proceeded with his development report immediately thereafter.

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 communications and comments. Hearing none, 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 October 8, 2020 regular meeting and following a review and motion by Directors Edwards, seconded by Director Gideon and unanimous approval, said Minutes were approved as written.

3. 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 "A"**. 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 were approved by the City in September. Additionally, Mr. Moore noted that construction plans and the final plat have been prepared for Crosswinds Phase 3A which will include 281 lots and will extend Crosswinds Parkway to Go Forth Road, thereby providing two points of ingress and egress. Mr. Moore noted that bids were originally scheduled to open November 12, 2020, but an Addendum was issued bumping the date one week to November 19, 2020. Andy Barrett noted this is not unusual, and that sometimes, contractors will request additional time to review the bids thus bumping the bid opening date. Mr. Barrett also confirmed there was no action needed by the Board with regard to such matter.

Additionally, Mr. Moore noted that final review comments from the City and GBRA have been received for the construction plans for the elevated water storage tank, and that engineers are still addressing the review comments and will likely submit an update later in November.

4. With regard to the developer's report, Ms. McAngus confirmed Terry Howe had not yet been able to join the call and that she would circle back to the developer's report at such time Mr. Howe was able to join the telephone conference.

5. Mr. Barrett noted that he had nothing further at this time with regard to a proposed form of Amendment to the existing Water and Wastewater 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.

Additionally, Mr. Barrett further addressed issues previously presented by the member of the public, Judy Medina, with regard to her concerns surrounding the current water and sewer rates within the District. Mr. Barrett reiterated that under the Water and Wastewater Agreement, the District has the option to pay in-city rates plus a maintenance fee rather than out-of-city rates as is currently the situation. Mr. Barrett noted that given the November election and potential changes in varying officials, conversations with the City with regard to said matters have been slightly delayed.

6. Corey Howell with GMS Group then discussed with the Board a Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value, which would allow Assessments of the Southwest, Inc. ("ASW"), under its existing contract, to secure an Estimate of Value of the lands within the District from the Hays Central Appraisal District ("HCAD"). Mr. Howell reminded the Board that ASW assisted with calculations for the tax worksheets that were previously prepared and that those calculations are very important in helping GMS Group determine the best time and the best amount for the District's next proposed bond issue. Mr. Howell noted that in years' past, he has had issues with HCAD in receiving a Certificate of Estimated Value at any given time rather than preliminary values dated as of January 1 of each year. Mr. Howell noted that given the fact that development and home building has been very strong in the District this year, it is crucial he receive accurate land values

which cover all land and improvements within the District and as is such, the proposed resolution would allow ASW to assist with such request.

Ms. McAngus then noted the resolution, as presented, asks for the land value in the District as of November 1, 2020 and that the said Resolution will be filed with the HCAD within the next few days. Ms. McAngus also confirmed any fees incurred by ASW as relate to said resolution are covered under the existing agreement between the District and ASW.

Upon motion by Director Weber, seconded by Director Gideon, the Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value, a copy of which is attached as **EXHIBIT "B"**, was unanimously approved. The record shall reflect that Terry Howe joined the telephonic meeting at this time.

7. Terry Howe then provided the Board with a developer's report, noting there are currently a total of 363 homes on the ground, 269 of which are occupied. Mr. Howe noted of those 363 homes, 5 are being used as model homes, 88 homes are under construction and 1 home is a completed spec home. Though quite a bit of construction currently underway, Mr. Howe noted there are not a lot of closings currently taking place, but that he expects closings to occur in one large batch at a later date.

8. Justin Taack with Bott & Douthitt, the District's bookkeeping firm, reviewed an Accounting Report dated November 12, 2020 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 \$250,000 from the District's operating account to the District's TexPool account as well as the transfer of \$14,060.95 from the District's TexPool account to the District's bookkeeper's account, and a set of September 30, 2020 Financial Statements, all as attached hereto as **EXHIBIT "C"**. It was noted that the proposed transfer of \$14,060.95 would be to cover the District's expenditures to date, and the proposed transfer of \$250,000 would be to move those funds from the operating account into an interest-bearing account. In addition, with regard to builder's fees currently due, Mr. Taack noted that \$319,000 in builder's fees have been received since the last meeting, and although a lot of those fees have been collected, some remain outstanding. Mr. Taack confirmed that the builder fees inadvertently sent to the wrong district have been received by Bott & Douthitt which are included in the \$319,000 in receivables. Additionally, Mr. Taack noted the District is running about a \$730,000 positive budget for the year.

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. With regard to operational matters, Makenzie Scales with Inframark updated the Board as to the Erosion Control Inspection Reports, attached hereto as **EXHIBIT "D"**, performed during the month of October for Highland Homes, Gehan Homes and Pacesetter Homes, noting all were in violation of various offenses at different times throughout the month but that Inframark is working with those homebuilders to correct said violations, and after the third violation, a fine would be imposed by Inframark. Ms. McAngus confirmed with Ms. Scales that in the event a fine is imposed and a fee is collected, invoicing and payment of fees would go directly though the District's bookkeeper, Bott & Douthitt. Ms. Scales then discussed with the Board the current Stormwater Pond Inspection Sand Filter System Report and related pictures, a copy of which is attached hereto as **EXHIBIT "E"**, noting that the work orders have been

submitted for the ponds located at both Knots Landing/Nautical Loop and Crosswinds Parkway. Upon motion by Director Weber and seconded by Director Edwards, said operations report, including the Erosion Control Inspection Reports and the Stormwater Pond Inspection Sand Filter System Report was unanimously approved.

10. It was then confirmed that an Executive Session was not needed at this time, and the Board confirmed a proposed regular meeting on Thursday, December 10, 2020, at 11:00 a.m., and Ms. McAngus noted the meeting would likely be in the telephonic format assuming the Governor renews the existing COVID-19 disaster Proclamation.

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

APPROVED AND ADOPTED this 10th day of December, 2020.



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