

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 8th day of October, 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. 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, Brigance & Doering, Inc. ("CB&D"), engineer for the District; Kristi Hester and Makenzi Scales with Inframark, LLC ("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, as did Judy Medina, a District resident.

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 at which time Judy Medina, a homeowner within the District, brought to the Board's attention her concern over current water and sewer rates for the District. Ms. Medina noted that in some instances, water and sewer services are costing homeowners between \$300-\$600 per month which is simply not affordable for most homeowners in the District. Ms. Medina posed the question to the Board as

to why the current rates are so high as well as whom determined said rates. Andy Barrett with Barrett & Associates explained to Ms. Medina that typically comments are taken and, if they can be addressed under an item on the posted agenda, that comments may be addressed further in the meeting or, if not, held for placement on an agenda and discussion at a future Board meeting. That said, he briefly stated that a Retail Water and Wastewater Services Agreement ("Water and Wastewater Agreement") was entered into with the City of Kyle ("City") in July 2015, and as part of that Water and Wastewater Agreement, the City was to provide water and wastewater services to the District at out-of-city rates because the District is located in the Extra-Territorial Jurisdiction of the City.

2. The Board acknowledged receipt of a copy of the draft minutes of the Board's September 10, 2020 regular meeting and following a review and motion by Directors Weber, 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 all final review comments have been addressed and the plan cover sheet is currently being circulated for approval signatures from all regulatory bodies with bids scheduled to be opened November 12, 2020. It was confirmed that the Board had previously authorized the bidding for Crosswinds Phase 3A.

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 October. Mr. Moore confirmed there were no actions items for the Board's consideration at this time.

4. Terry Howe updated the Board with regard to home construction going on in the District noting that, out of the 341 homes currently on the ground in Phase 1, 8 homes are under construction, 1 home is being used as a spec home, and 172 homes are currently occupied. Mr. Howe also noted there are currently 72 homes under construction, with 2 homes being used as spec properties and 52 homes occupied in Phase 2. Mr. Howe confirmed the outlook is good and builders remain very busy.

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 the member of the public, Judy Medina, with regard to her concerns surrounding the current water and sewer rates within the District. Mr. Barrett noted 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. It was also noted that the District pays irrigation fees as well. Mr. Barrett posed the question to the Board about possibly switching to in-city rates with the maintenance fee option and asked the Board for authority to proceed with discussing such possibility with the City. Upon motion by

Director Dell'Abate, seconded by Director Weber, the Board unanimously authorized Mr. Barrett to proceed with discussions with the City about the potential switch from out-of-district water and sewer rates to in-city rates with a maintenance fee option.

6. Justin Taack with Bott & Douthitt, the District's bookkeeping firm, reviewed an Accounting Report dated October 8, 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 \$90,000 from the operating account to the District's TexPool account as well as the transfer of \$10,000 from the operating account to the District's bookkeeper's account, and a set of August 31, 2020 Financial Statements, all as attached hereto as **EXHIBIT "B"**. It was noted that the District has currently collected 99.95% of its 2019 taxes. In addition, with regard to builder's fees currently due, Mr. Taack noted that there were approximately \$242,000 in outstanding builder's fees due to the District, and it appeared that Pacesetter might have double paid some fees and some builder fees were sent to the wrong district totaling approximately \$264,500 in builder's fees which Bott & Douthitt is working with both the builder and developer to confirm such amounts. Additionally, Bott & Douthitt is working on retrieving additional funds that were incorrectly transferred at lot closings by builders to the wrong district.

Upon motion by Director Edwards, seconded by Director Weber 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. For the benefit of the public, Ms. McAngus confirmed that Bott & Douthitt had recently taken over the books from the prior District bookkeeper and was still working through the needed verification and reconciliation of the builder payments due and collected as per the above discussions.

7. With regard to operational matters, Kristi Hester with Inframark updated the Board as to the current Stormwater Pond Inspection Sand Filter System Report and related pictures, a copy of which is attached hereto as **EXHIBIT "C"**, noting that the pond located at Knots Landing/Nautical Loop is in good condition, but the pond located at Crosswinds Parkway needs further evaluation as erosion has gotten progressively worse. Ms. Hester noted Inframark would be taking care of any issues surrounding erosion control of said pond. Ms. Hester also reviewed the current Builder's Construction Violation Report and related pictures, a copy of which is attached hereto as **EXHIBIT "D"**. She reported that they are continuing to work very closely with builders to get lots cleaned up, and that the builders are making their best efforts to ensure compliance despite the amount of activity currently underway. Upon motion by Director Laine and seconded by Director Edwards, said operations report, including the Stormwater Pond Inspection Sand Filter System Report and the Builder's Construction Violation Report was unanimously approved.

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



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