

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1 §

The Board of Directors ("Board of Directors" or "Board") of Round Rock Municipal Utility District No. 1 (sometimes referred to herein as the "District") met in special session, open to the public, on the 19<sup>th</sup> 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, to-wit:

Mitchell Schwartz	President
William James Mosley	Vice President
Dwain K. Halm	Secretary
Tim B. Agee	Treasurer/Asst. Secretary
Moses Kim	Asst. Secretary

All members of the Board were present by telephone at the commencement of the meeting. All directors present at the time the vote was taken voted on all items that came before the Board. Also present by telephone were Marc Druck, attorney, and Kimberly Studdard, legal assistant, of Winstead PC ("Winstead"), attorneys for the District; Justin Taack of Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeeper for the District; Ronnie Moore of Carlson, Brigance & Doering, Inc. ("CB&D"), engineers for the District; and Andre Ayala of Hilltop Securities Inc. ("Hilltop"), financial advisors for the District. Also present was Patrick Murphy of KB Home Lone Star, Inc. ("KB Home"), representing the developer of the lands within the District.

Marc Druck 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, 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 however, none being heard, the Board moved on to the next item of business.

2. The Board confirmed receipt of the Minutes from the June 11, 2020 special Board meeting and upon motion by Director Schwartz, seconded by Director Mosley, said minutes were unanimously approved.

3. Kimberly Studdard then confirmed the receipt of the 2020 certified estimate of values for the District from the Williamson Central Appraisal District, a copy of which is attached hereto as **EXHIBIT "A"**.

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 \$0.68 per \$100 valuation. It was noted that such proposed tax rate was competitive with other districts in the area and that it was not necessary to adopt a debt service tax rate at this time since the District has yet to issue any debt. 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 Agee, seconded by Director Halm 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 \$0.68 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 Schwartz, seconded by Director Halm 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 Williamson County, through the County Tax Assessor and Collector, would serve as the District's tax collector pursuant to an agreement approved by the Board at the June 11, 2020 meeting.

Additionally, Mr. Druck discussed with the Board the need to update the District's Amended District Information Form ("ADIF") currently on file with Williamson County as well as the Texas Commission on Environmental Quality ("TCEQ") to reflect the initial tax rate within the District. Upon motion by Director Schwartz, seconded by Director Halm, the Board unanimously approved the updated ADIF and necessary filings thereof.

7. With regard to the status of development in the District, Pat Murphy noted the Phase 1 construction plans previously submitted to the City of Round Rock ("City") were approved and that KB Home closed on the purchase of approximately 88 acres within Phase 1 of the District the previous day. Mr. Murphy noted KB Home hoped to commence construction of Phase 1 in September 2020.

8. The Board was then presented with a Non-Standard Service Agreement by and between Jonah Water Special Utility District, the District and KB Home Lone Star, Inc. ("Non-Standard Service Agreement") as relates to retail public water services to be provided for the District. After a brief discussion and upon motion by Director Schwartz, seconded by Director Halm, the Board unanimously approved said Non-Standard Service Agreement, authorized any final negotiations and approved any related agreements, as may be necessary.

9. With regard to the engineer's report which includes a bid analysis and recommendation for a contract award on Salerno Phase 1 to Austin Engineering Company, Inc. ("Austin Engineering"), a copy of which summary is attached as **EXHIBIT "E"**, Ronnie Moore

with CB&D noted Salerno Phase 1 which will contain 173 single family lots. Mr. Moore noted that contractor bids related to streets, storm drainage, water, detention pond, wastewater, landscaping, erosion control, lot grading, gas and electric improvements for Salerno Phase 1 were opened July 21, 2020, and four bids were received for said projects. Mr. Moore noted Austin Engineering came in as the low bidder, even without TCEQ reimbursable amounts being included in the bid tabulation, and as is such, CB&D recommends awarding the contract for streets, storm drainage, water, detention pond, wastewater, landscaping, erosion control, lot grading, gas and electric improvements for Salerno Phase 1 to Austin Engineering. Upon motion by Director Schwartz, seconded by Director Halm and unanimously approved, the Board awarded said bid to Austin Engineering.

10. It was noted that since the District would now have incoming tax revenue, it was timely to consider adopting an Order Establishing an Investment Policy and Appointing an Investment Order. Marc Druck reviewed the Order with the Board and noted that he had confirmed that the District's bookkeeper, Bott & Douthitt, had agreed to serve as the investment officer for the District and that he had confirmed that Mary Bott and Allen Douthitt had taken the required investment training courses as set out in such Order and that her credentials were current and also that she had agreed to keep them up to date. Justin Taack with Bott & Douthitt also confirmed Ms. Bott's and Mr. Douhitt's qualifications. Following a discussion and upon motion by Director Mosley, seconded by Director Halm and unanimously approved, said Order was adopted, a copy of which is attached hereto as **EXHIBIT "F"**.

11. Justin Taack then presented the Board with a Cash Activity Report, attached hereto as **EXHIBIT "G"**. Mr. Taack noted that expenditures to be considered included payment of directors' fees for the meeting that same day, payment for completion by Director Schwartz of his cybersecurity training and accounting fees through June 2020. Mr. Taack also noted that he had received a \$5,000 advance from the developer and would be depositing those funds into the bookkeeper's account. After a brief discussion, upon motion by Director Schwartz, seconded by Director Halm, the Board unanimously approved said Cash Activity Report and disbursement of funds in accordance therewith.

Additionally, Mr. Taack noted that given the fact that the District would be levying its initial tax rate, he recommended the Board open an interest-bearing account, such as LOGIC or TexPool, for deposit of such funds. Mr. Taack also noted that currently LOGIC is drawing more interest than TexPool, and upon motion by Director Halm, seconded by Director Mosley and unanimously approved, the Board moved to open a LOGIC account for the District.

12. Kimberly Studdard 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 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 Mosley, seconded by Director Halm and unanimously carried, the Board authorized the official creation of the District website.

13. The Board then discussed and confirmed there was no need to set a next meeting date at this time, but it was noted that most likely, the Board will need to meet in October or November

of 2020 as relates to engineering matters. Mr. Moore and Mr. Murphy confirmed the timing for same.

There being no further business to conduct, Director Schwartz moved that the meeting be adjourned, which motion was seconded by Director Halm, and unanimously approved, and the Board adjourned until the next scheduled meeting date.

APPROVED AND ADOPTED this 10<sup>th</sup> day of December, 2020.



Dwain K. Halm, Secretary

Board of Directors

Round Rock Municipal Utility District No. 1

