

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 10th day of December, 2020, by video 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 video conference at the commencement of the meeting, except Director Mosley. All directors present at the time the vote was taken voted on all items that came before the Board. Also present by video conference were Ross Martin and Scott Eidman, attorneys, and Kimberly Studdard, legal assistant, of Winstead PC ("Winstead"), attorneys for the District; Justin Taack of Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District; and Ronnie Moore of Carlson, Brigance & Doering, Inc. ("CB&D"), engineers for the District. Also present was Patrick Murphy of KB Home Lone Star, Inc. ("KB Home"), representing the developer of lands within the District.

Ross Martin explained a few guidelines for the video 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, however, none being heard, upon motion by Director Schwartz, seconded by Director Agee and unanimously carried, the Board closed the public communications and comments section of the meeting and moved on to the next item of business.

2. The Board confirmed receipt of the Minutes from the August 19, 2020 special Board meeting and upon motion by Director Agee, seconded by Director Halm, said minutes were unanimously approved.

3. With regard to the status of development in the District, Mr. Murphy noted that Phase 1 construction is moving along nicely and that the developer is hoping to begin paving in March 2021 with model homes following shortly thereafter. Additionally, Mr. Murphy noted that KB Home is expecting to close on the property for Phase 2, which boundaries were already included in the District and will include an amenity center, in April 2021.

4. Next the Board reviewed CB&D's Engineer's Report for the period ending December 7, 2020 for construction and status of the one (1) construction project currently underway by Austin Engineering Company, Inc. ("Austin Engineering") for Salerno Phase 1 along with recommendations for related pay applications and change orders, which report is attached hereto as **EXHIBIT "A"**. By motion of Director Schwartz, seconded by Director Agee and unanimously carried, the following recommended CB&D payments under the stated construction contracts were unanimously approved:

Salerno Phase 1 contract with Austin Engineering:

Pay Application No. 1 (\$79,200.00);
Pay Application No. 2 (\$123,740.10);
Pay Application No. 3 (\$159,641.46);
Pay Application No. 4 (\$495,271.80);
Pay Application No. 5 (\$608,329.62); and
Change Order No. 1 (\$69,154.70).

The record shall reflect that copies of all approved pay applications and the change order are attached collectively as **EXHIBIT "B"**.

Mr. Moore noted that a notice to proceed on the above-referenced contract was issued on September 9, 2020, and since then, contractors are staying very busy. Additionally, Mr. Moore noted he had been in contact with the head of the design group at the City of Round Rock ("City") with regard to Phase 2 plans and that approval of those plans is expected by January 2021 with construction to commence shortly thereafter. Mr. Moore also noted Phase 3 had been submitted to the City for initial review and comments, and that CB&D is currently working on plans for Phases 4, 6 & 8. It was noted that as more development occurs and assessed value increases, a potential first bond issue would likely follow shortly thereafter. Upon motion by Director Halm, seconded by Director Schwartz, the Board unanimously approved the Engineer's Report.

5. With regard to matters relating to estimated timing of substantial completion for the initial phase of utility and road construction, specifically the need to work with Jonah Water Special Utility District ("Jonah") and the City as to customer billing arrangements for water, sewer and solid waste disposal services, Mr. Moore noted that with paving to begin and models expected to go up in March, the District will want to ensure billing arrangements and trash pickup details are ironed out prior to then. Additionally Mr. Moore noted that in a district such as this one, ideally all water, wastewater and trash services will be billed to customers on a single invoice rather than multiple invoices. It was also noted that typically one of the service providers will bill for their own services in addition to the others and will apply a small service fee for handling same.

In addition, Mr. Moore noted another open item needing to be addressed is regarding which areas within the District, such as open areas and detention ponds, will be maintained by the District itself versus the Home Owners' Association. Mr. Murphy then requested Winstead take the lead with

regard to figuring out said details, and upon doing so, coordinate with Bott & Douthitt on billing arrangements for same. Upon motion by Director Agee, seconded by Director Schwartz, the Board unanimously approved authorization for Winstead to proceed with negotiations with Jonah as well as the City as to customer billing arrangements for water, sewer and solid waste disposal services and to secure any necessary additional operational contracts as may be needed for the Board's review and approval at a later meeting.

6. The Board next reviewed a summary of the District's annual renewal of insurance and bonds, and Ms. Studdard noted effective August 1, 2020, the District's existing coverages were renewed and new coverages for general liability and umbrella policies were added to account for the construction-related activities currently underway. Upon motion by Director Agee, seconded by Director Schwartz, the Board unanimously approved the annual renewal of insurance and bonds and addition of general liability and umbrella coverage to those coverages previously in place.

7. Justin Taack then presented the Board with a Cash Activity Report, attached hereto as **EXHIBIT "C"**. Mr. Taack noted that expenditures to be considered included payment of directors' fees for the meeting that same day and accounting fees for August and September 2020. Mr. Taack also noted that he would void Check No. 5010 in light of Director Mosley's absence at the meeting. Mr. Taack confirmed checks for both the August and December 2020 meetings as well as Director Schwartz check for completion of his required cybersecurity training have been mailed. After a brief discussion, upon motion by Director Schwartz, seconded by Director Moses, the Board unanimously approved said Cash Activity Report and disbursement of funds in accordance therewith.

8. Assuming construction continues on as planned, the Board then discussed and confirmed a tentative next meeting date of Thursday, February 11, 2021 at 8:00 a.m., and it was noted that the meeting would likely occur in a similar video conference or telephonic format assuming the Governor renews his current Proclamation.

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

APPROVED AND ADOPTED this 11th day of February, 2021.



Dwain K. Halm, Secretary
Board of Directors
Round Rock Municipal Utility District No. 1