

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 11<sup>th</sup> day of March, 2021, 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 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; Kimberly Studdard, legal assistant, with Winstead PC; Ronnie Moore with Carlson, Brigance & Doering, Inc. ("CB&D"), engineer for the District; Kristi Hester and Ronja Keyes 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, was in attendance.

Kimberly Studdard 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 Minutes of the Board's February 11, 2021 regular meeting and following a review and motion by Director Gideon, seconded by Director Edwards and unanimous approval, said Minutes were approved as written.

3. Ms. Studdard then noted that due to a scheduling conflict for Inframark, the Board should skip to items 7 and 8 of the agenda, an update on the transition of landscape maintenance to the District and an operations report for the District, respectively. With regard to the District's landscape maintenance plan and transition of landscape maintenance and billing of District maintained properties from the Home Owners' Association ("HOA") to the District, Kristi Hester with Inframark noted Sunscape Landscaping would begin services on behalf of the District on April 1, 2021 and that Inframark is currently working with the HOA to move irrigation water accounts over to the District.

With regard to operational matters, Kristi Hester with Inframark updated the Board as to the Operation's Report for February 2021 and included Executive Summary Report, a copy of which is attached hereto as **EXHIBIT "A"**, noting pond inspections were completed on February 10, 2021 and concluded that some minor grade work and sediment removal were needed. Ms. Hester noted that the grade work would be scheduled in the near future but that pond erosion control work had been completed. It was also noted that the street light pole damaged on Treasure Cove had been replaced, and the sidewalk along Crosswinds Parkway in need of repair to correct a trip hazard was fixed as well. Ms. Hester also noted builders' violations are still occurring, and that Gehan Homes and Highland Homes have not been cooperative in paying the fines associated with said violations. Director Weber then posed the question as to how the District can collect the outstanding fines and resolve erosion control issues moving forward. Mr. Barrett noted one possible solution could be entering into an Interlocal Agreement with the City of Kyle ("City") for the City to possibly disallow builders to set taps until they are free and clear on all fines owed for violations issued by the District. Additionally, it was noted that there might be the possibility of putting a lien on the property for the collection of said fines. Upon motion by Director Weber and seconded by Director Gideon, said Operation's Report for February 2021 and included Executive Summary Report were unanimously approved.

4. The Board then 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 "B"**. The report updated the Board with regard to the status of a pending contract 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 reminded the Board that bids were opened December 2, 2020 and that CB&D issued a Recommendation of Award letter to the low bidder, DNT Construction, LLC, on December 17, 2020. Mr. Moore noted that although CB&D issued their Recommendation of Award letter, the developer is wanting to work through specifics related to a change order that would be needed to address moisture concerns discussed at prior meetings. Mr. Moore noted that until those details are ironed out and the executed contract as well as a notice to proceed were received by CB&D, construction would not be moving forward.

Additionally, Mr. Moore noted that permits from the City and the Guadalupe-Blanco River Authority ("GBRA") for the elevated water storage tank had been received, and that bids are scheduled to open on April 15, 2021 with construction to commence in June.

5. With regard to the developer's report, Terry Howe noted that there was not a lot of new construction activity currently underway but that closings for existing homes under construction are rapidly occurring. It was noted that there are 408 homes on the ground between Phases 1 and 2, with 84 of those homes in various stages of construction and 11 homes currently vacant, though that figure is changing almost daily.

6. With regard to any additional water and sewer related agreements, status of negotiations with regard to existing service rates and amendments to such agreements, status of conveyances to the City or other related matters, Mr. Barrett noted there was a slight issue with the elevated water storage tank in that either the District or the developer (on behalf of the District) will likely need to pay the estimated \$1.6 - \$2.0 million that will be required for installation of said tank. Mr. Barrett noted that those specifics are still being worked out and would be presented and discussed with the Board at a later date.

With regard to a potential Interlocal Agreement with the City for their assistance in disallowing builders within the District to set taps until such time all builder violation fees issued by the District for erosion control matters were paid in full, Ms. Studdard asked that the Board formally consider authorizing Mr. Barrett to approach the City regarding the aforementioned option and to research the possibility of placing a lien on the property, if needed, to remedy such issues. Upon motion by Director Weber, seconded by Director Edwards, the Board unanimously authorized Mr. Barrett to discuss a possible Interlocal Agreement with the City and to research other alternatives, including the possibility of placing a lien on the builders' property for the collection of erosion control violation fees issued by the District.

7. Justin Taack with Bott & Douthitt, the District's bookkeeping firm, reviewed an Accounting Report dated March 11, 2021 which included a review of the Cash Activity Report, including receipts and expenditures, a summary of action items as relate to director and vendor payments and the transfer of \$26,005.43 from the District's TexPool operating account to the District's Bancorp bookkeeper's account, the transfer of \$32,059.87 from the District's TexPool tax account to the District's TexPool operating account, the transfer of \$40,000.00 from the District's TexPool tax account to the District's TexPool debt service account, the payment of April 1, 2021 bond payments in the amount of \$67,656.25 for the Series 2018 Road Bonds and \$44,937.50 for the Series 2020 Road Bonds, and a set of January 31, 2020 Financial Statements, all as attached hereto as **EXHIBIT "C"**. Mr. Taack noted the District collected a little over \$71,000 in tax revenue in the month of January and that Bott & Douthitt was continuing to monitor tax collections. It was also noted that Director Dell'Abate's check for the then current meeting would be voided in the event he doesn't join the meeting before the end of the call, and that the District is running a roughly \$190,000 positive budget to date. Upon motion by Director Edwards, seconded by Director Laine and unanimously carried, the Board approved the Accounting Report which included the approval of director and vendor payments and the fund transfers and bond payments as set out therein.

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, April 8, 2021, at 11:00 a.m., and Ms. Studdard 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 Weber, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 8<sup>th</sup> day of April, 2021.



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