

MINUTES OF MEETING
OF THE BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

DRIFTWOOD CONSERVATION DISTRICT §

The Board of Directors of Driftwood Conservation District (sometimes referred to herein as the "District") met in regular session, open to the public, on the 16th day of December, 2020 by telephone conference to mitigate the spread of COVID-19 pursuant to Proclamations issued by the Governor of the State of Texas and 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:

Stephen C. Dickman	President
Sam Siddons	Vice President
Danette R. Koebele	Secretary
Jett Garner	Treasurer/Asst. Secretary

All members of the Board were present by telephone at the commencement of the meeting and participated in each vote 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 Kimberly Studdard, legal assistant, of Winstead PC ("Winstead"); George Murfee and Dennis Lozano of Murfee Engineering Company, Inc. ("Murfee Engineering"), engineers for the District; and Justin Taack with Bott & Douthitt PLLC ("Bott & Douthitt"), bookkeepers for the District. In addition, Kristi Hester with Inframark, LLC ("Inframark") as well as Candy Spitzer and Jackie Flippin with Spitzer & Associates, Inc. ("Spitzer"), right of way consultants for the District, were present on the call.

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, they proceeded on.

2. With regard to adoption of an Order Appointing Director and related items, Ms. McAngus noted we would postpone this item until the regularly-scheduled January meeting most likely, and at such time, when it was anticipated that the necessary paperwork would be in hand to proceed with such appointment.

3. The Minutes from the Board's November 18, 2020 Meeting were presented for review and approval. Following a motion by Director Dickman, seconded by Director Koebele and unanimously carried, said Minutes were approved as written.

4. With regard to a report from the developer or any necessary action with regard to existing reimbursement agreements with the developer, Judy McAngus confirmed Don Bosse of Driftwood DLC Austin II, LLC, who represents the current owner and developer of the land within the District, had not been able to join the meeting, and as is such, the Board moved on to the next item of business.

5. Dennis Lozano with Murfee Engineering next reviewed an Engineer's Report dated December 15, 2020, a copy of which is attached hereto as **EXHIBIT "A"**, noting that said report focuses primarily on the Creek Tract, specifically Club Core Phases 1 and 2 as well as the 1-1 Retrofit area. Mr. Lozano noted both projects have been bid and that the engineers are waiting for approvals before moving forward. Additionally, Mr. Lozano noted plans for the 1-2 Construction phase would be submitted for approval later that day. Mr. Lozano noted with regard to the Water Facilities Conveyance plans, the engineer is continuing to work with the City of Dripping Springs ("City"), Driftwood Golf Club Development, Inc. ("DGCDI"), other Driftwood development entities, and the Driftwood Economic Development and Municipal Management District ("MMD") to construct new water infrastructure, convey existing water infrastructure, and develop and assign and/or dedicate easements for all infrastructure in order to consummate water service as contemplated in the Retail Water and Wastewater Services Agreement with the City and Wholesale Water Supply Agreement between the City and the WTCPUA. Mr. Lozano noted, that in order to preserve reimbursement rights for the facilities, conveyance will all be routed through the DCD from developer or the MMD to the City.

Next Mr. Lozano put forward for consideration the following pay application under the Liberty Civil Construction, LLC ("Liberty Civil") contract for the Construction of Driftwood Phase 1 Section 1 Retrofit project along with recommendation for same, which report and executed pay application are attached hereto as **EXHIBIT "B"**. By motion of Director Siddons, seconded by Director Dickman and unanimously carried, the following recommended payment under the stated construction contract was unanimously approved:

- Pay Application No. 5 for \$158,314.50.

With regard to the Ranch Tract, it was noted that Phase I plan approvals are being finalized for construction for the first phase of residential development within the Ranch Tract. The engineers resubmitted plans addressing TCEQ comments on the CZP on December 11, 2020. It was also noted that Phase I will also allow for opening of the golf course using temporary facilities. For Phase II, Mr. Lozano noted initial submission to the City and Hays Country was slated for later that week, and with regard to Golf Course Construction, the golf course construction continues to progress as does the related irrigation pond construction. Additionally, with regard to the status of Raw & Effluent Force Mains to tie into the City of Dripping Springs services, it was noted that Easement acquisition consultant

Spitzer & Associates is making progress on landowner contacts and has secured Rights of Entry for several properties along the proposed route.

Lastly, with regard to right-of-way negotiations and the request by a particular landowner to add them as an additional insured under the District's existing insurance policy, Ms. McAngus confirmed such proposed addition had been completed, noting it added \$150 to the District's current premium and is good for one year from the date the certificate was issued. Ms. McAngus also noted additional such requests would be handled in the same manner unless 10 or more landowners request coverage which would trigger a blanket coverage option capped at a \$1,000 total premium increase for the year.

6. Andy Barrett confirmed there was no action needed at this time with regard to any additional water and sewer related agreements, easements or conveyances to the City of Dripping Springs ("City") nor action needed with regard to negotiations with the City with respect to an Agreement Concerning Creation and Operation of the District.

7. With regard to proposed addition of lands and related matters, Ms. McAngus confirmed no action was needed at this time.

8. Justin Taack with Bott & Douthitt then discussed the Accounting Report dated December 16, 2020 with the Board, a copy of which is attached hereto as **EXHIBIT "C"**. He reviewed the Cash Activity Report included in the Accounting Report, noting that he would need the Board's approval on the disbursement of checks related to director and vendor payments and the transfer of \$15,000 from the District's Operating Account to the District's Bookkeeper's Account for payment of expenditures, all as reflected on the Cash Activity Report. Additionally, Mr. Taack noted appraisal fees and tax assessor fees were a little unusual this month and that two invoices received by Spitzer & Associates Inc. remained outstanding and would be paid upon receipt of funds from the developer. Director Koebele then posed the question as to whether or not the invoice received by the Law Office of Matthew B. Kutac PLLC in the amount of \$2,250 was inadvertently duplicated in the invoice received by Andy Barrett & Associates. After a brief review, it was determined the invoice numbers and amounts matched, and as if such, Check No. 5023 for payment directly to Mr. Kutac would be voided. Upon motion by Director Koebele, seconded by Director Siddons and unanimously carried, said Accounting Report was approved with the exception of payment of Check No. 5023 which is to be voided by Bott & Douthitt.

In addition, when reviewing invoicing from Spitzer & Associates Inc., Judy McAngus, inquired as to whether Candy Spitzer or Jackie Flippin had anything else to add to the discussions regarding the right of way matters in item 6. Ms. Spitzer and Flippin confirmed they had no additional information by way of further updates or action that was needed at this time.

9. The next regular meeting date of January 20, 2021 at 11:30 a.m. was confirmed by the Board.

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

APPROVED AND ADOPTED this 20th day of January, 2021.



Danette R. Koebele, Secretary
Board of Directors
Driftwood Conservation District

