

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 July, 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. 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, Robert Esenwein from CEP, LLC was in attendance. In addition, Mr. Jiminez, a resident in Crosswinds attended the meeting as well.

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 July 8, 2021 regular meeting, and following a review and motion by Director Edwards, seconded by Director Gideon and unanimous approval, said Minutes were approved as written.

3. The Board then recognized Ronnie Moore with CB&D. Mr. Moore noted he had the following two action items: (i) Pay Application No. 2 to DNT Construction for \$679,687.47; and (ii) Pay Application No. 3 to DNT Construction for \$802,343.69. Upon motion by Director Weber, seconded by Director Laine and unanimously carried, the Board approved Pay Application No. 2 and Pay Application No. 3.

Mr. Moore then reminded everyone that, in last month's Board Meeting, the Board awarded the bid for the elevated water storage tank to Maguire Iron, Inc. He mentioned that the next step would be to hold a pre-construction meeting. After such meeting, the engineers would issue a Notice to Proceed. He noted that this project is different than other projects in that it would take approximately a year to complete the project.

4. With regard to the developer's report, Terry Howe noted that in Phase 1 there are 212 occupied homes out of 225 homes and in Phase 2, there are 147 occupied homes out of 206 homes. With respect to Phase 3A, it is under construction. They have started on the utilities but are a little behind schedule due mostly to rain delays.

5. With respect to the Nationwide Permits required in connection with the pond in the District, Mr. Barrett noted that in connection with the construction of the pond, the District will have to deal with the U.S. Army Corp of Engineers ("USACE"). Mr. Barrett recommended that the District hire Robert Esenwein of CEP, LLP to work with the USACE on this issue. He then introduced Mr. Esenwein. Mr. Esenwein noted that the District will need 2 nationwide permits for two water control structures that are in Porter Creek. He is submitting a proposal for his services to the District for \$23,000. Director Gideon then asked if the developer or the District is responsible for paying for these services. Mr. Barrett noted that the developer could bear the expense, however, the expense is reimbursable by the District so he recommends saving time by having the District pay for Mr. Esenwein's services directly. Upon motion by Director Weber, seconded by Director Gideon and unanimously carried, the Board approved the proposal by Mr. Esenwein.

6. With respect to water agreements, Mr. Barrett noted that Ms. Studdard has been receiving calls from residents regarding the water rates. He explained that the City of Kyle ("City") is currently providing Retail Water to the District and charging the residents out of district rates. Mr. Barrett believes there is an option under the agreement with the City whereby the District could pay in-city rates if they pay the City a management fee as well. He has discussed this with the City and they seem amenable. He asked Inframark to get copies of some resident bills so that the District could compare what the prices are currently versus the potential prices would be if the District chooses to pay the City a management fee. Inframark never received the bills from the residents. However, if Ms. Studdard can get copies of the utility bills from the residents she has been speaking to, then the District can compare the price difference. If it makes sense, then Mr. Barrett could negotiate with the City. The management fee would be paid by the District from the Maintenance and Operations tax, if the funds are available. Ms. Studdard stated that she has requested that the resident she spoke to that morning provide utility bills. She asked that any other residents on the line provide their bills for the comparison as well. Then the District could determine if there would be a savings. Ms. Hester mentioned that they could reach out to the HOA to see if they could get the residents to provide utility bills. Mr.

Barrett noted that the District also pays the City for water for irrigation and when the comparison is made, that amount needs to be taken into consideration. Mr. Jiminez then requested the right to speak. After he was acknowledged by the Board, he requested contact information in order to send his bills. Mr. Barrett replied that Ms. Jiminez could contact Ms. Hester or Ms. Keyes with Inframark, the general managers for the District. Ms. Hester then provided her e-mail address which is Kristi.Hester@inframark.com and provided her phone number which is 512/844-1041.

7. Regarding the Interlocal Agreement between the City and the District with respect to the builder violation fees. Mr. Barrett has not gotten anywhere with the City and noted the difficulty in getting in touch with anyone from the City. He noted that he e-mailed them again this week requesting action. He has also contacted Ross Martin at Winstead because he has a contact with KB Homes and hopefully, he could ask KB Homes to do something about this. Ms. Studdard stated that she would try to expedite the request as well.

8. Justin Taack with Bott & Douthitt, the District's bookkeeping firm, reviewed an Accounting Report dated July 8, 2021 which included a review of the Cash Activity Report, including receipts and expenditures, a summary of action items as relate to director fees, cybersecurity training fees for some of the directors, vendor payments and the following three transfers: (i) \$32,555.49 from the District's TexPool operating account to the District's Bancorp bookkeeper's account; (ii) \$1,197.89 from the TexPool Tax Account to the TexPool Operating Account; and (iii) \$2,500.00 from the TexPool Tax Account to the TexPool Debt Service Account. Mr. Taack also noted that he received Winstead's Invoice this morning in the amount of \$2,519.60. He noted that it is not part of the report but he would like to request Board approval to pay that invoice with check number 10107. Mr. Taack also noted that the transfers he has already requested today would cover Winstead's invoice and he mentioned that the District is running a positive balance of \$174,000 so he thinks the District is doing well with respect to the City's fees. 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 forth herein.

9. Ms. Studdard mentioned that she requested the 2021 preliminary values from the Hays Central Appraisal District and received those numbers. She would like to request approval to prepare the necessary tax rate worksheets and to prepare the Notice of Public Hearing on the Tax Rate. Upon motion by Director Weber, seconded by Director Gideon and unanimously carried, the Board approved preparation of the requested documents by the consultants.

10. With regard to operational matters, Ronja Keyes with Inframark updated the Board as to the Operation's Report for July 2021 and included Executive Summary Report. She noted that some residents would like to have an Oak tree replaced due to winter damage. She received a proposal by Sunscape to replace the tree for \$1,086.39. She also mentioned that the Board previously approved putting river rocks at the Crosswinds Entrance. However, the river rocks ended up scattered across the road (she presented pictures to the Board) and were dangerous. The river rocks were cleaned up immediately. Sunscape recommends putting replacing the river rock with boulders that are buried slightly underground. She would like to request approval to replace the Oak tree today and if the Board would like, she can request a quote from Sunscape on the boulders. Upon motion by Director Gideon, seconded by Director Lane and unanimously carried, the Board approved the tree replacement and requested the proposal for the boulders to be presented at the next Board meeting.

11. It was then confirmed that an Executive Session was not needed at this time, and the Board confirmed a proposed regular meeting on Thursday, August 12, 2021, at 11:00 a.m., and Ms. Studdard noted the meeting would likely be in the telephonic or video conference format assuming the Governor renews the existing COVID-19 disaster Proclamation.

There being no further business to conduct, Director Weber 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 August, 2021.



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