

MINUTES OF MEETING  
OF THE BOARD OF DIRECTORS

THE STATE OF TEXAS §  
COUNTY OF BURNET §  
HIGHWAY 71 MUNICIPAL UTILITY DISTRICT §

The Board of Directors ("Board of Directors" or "Board") of Highway 71 Municipal Utility District (sometimes referred to herein as the "District") met in special session, open to the public, on the July 28, 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, to-wit:

Jeffrey McDowell	President
Matt D. Zukauckas	Vice President
Allan Brandt	Secretary
Terry Michael Franks	Treasurer/Asst. Secretary

All members of the Board were present at the commencement of the meeting except for Director Brandt. All directors present at the time a vote was taken voted on all items that came before the Board. Also present by telephone were Andy Barrett of Andy Barrett & Associates, PLLC ("Barrett"), Vicki Hahn, a paralegal with Winstead PC ("Winstead"), Darlene Louk, representative of Hines Hwy 71 Limited Partnership ("Hines"), the developer of lands within the District, John Barganski of Specialized Public Finance Inc. ("SPF Inc."), financial advisor for the District, and Justin Taack of Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeeper for the District.

Ms. Hahn 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, evidence was presented that public notice of such meeting had been given as required by law and notice provided that the meeting would be recorded.

1. The Board called for public comments. Hearing none, they continued on to the next item of business.

2. The Board acknowledged receipt of the Minutes of Meeting of the Board of Directors conducted on September 3, 2020 and following a full review and upon motion by Director Franks, seconded by Director McDowell and unanimously carried, the Board approved such Minutes as written.

3. The Board reviewed and confirmed receipt of the 2021 Certified tax Roll from the Burnet Central Appraisal District.

4. Mr. Barganski reviewed his tax rate recommendation letter dated July 22, 2021 with the Board. His recommendation is that the tax rate remain consistent with last year's tax rate, which was \$1.00 per \$100 assessed value. He recommends that such amount remain in the Maintenance and Operations Tax Rate until such time as the District issues bonds. At that time, the total tax rate will be split between the Maintenance and Operations Tax Rate and the Debt Service Tax Rate.

5. Mr. Taack discussed the proposed Operating Budget for the upcoming fiscal year of October 1, 2021 to September 30, 2022 as prepared by Bott & Douthitt. He noted that the budget was very similar to last year's budget except that the Certified Assessed Valuation was updated to \$223, 987 taxable value which yields a little over \$2,200 in tax revenue. He mentioned that once development begins the District can amend the budget during the year but right now it is basically a zero balance budget.

6. The Board reviewed the proposed Notice of Public Hearing on Tax Rate. Upon motion by Director Franks, seconded by Director McDowell and unanimously carried, the Board approved the proposed Notice of Public Hearing on Tax Rate.

7. Ms. Louk gave a short District development update. She mentioned that the developer has contracted with five builders for lot deliveries next year. The builders are Lennar, Dream Finders, Highland Homes, David Weekly and Drees. They are working towards delivering lots next year. Ms. Louk also noted that the developer is working on closing their development loan with Texas Capital Bank.

8. The Board reviewed the Assignment of Reimbursement Contract and Proceeds between HT Canyon West Development, LP and Texas Capital Bank, National Association and the related Consent of the District ("Assignment"). Upon motion by Director Zukauckas, seconded by Director McDowell and unanimously carried, the Board consented to the Assignment and authorized signature thereon.

9. There were no engineering updates.

10. Mr. Barrett informed the Board that the Assignment of the Water Contract from South Central Water Company to the Lower Colorado River Authority ("LCRA") is final as of this afternoon. The Board reviewed the Firm Water Contract between the District the LCRA ("Water Contract"). After review of the Water Contract, upon motion by Director Franks, seconded by Director McDowell and unanimously carried, the Board approved the Water Contract and authorized signature by the District's President. Mr. Barrett also mentioned that the Wastewater Permit has been issued by the TCEQ. He reminded the Board that the permit is unique in Texas because it allows irrigation of resident's front yards as part of the disposal. It is the only permit in the state that allows this type of irrigation.

11. The Board reviewed the Amended Order Establishing a Records Management Program and Appointing a Records Management Officer. Upon motion by Director Franks, seconded by Director McDowell and unanimously carried, the Board approved such Order.

12. Justin Taack then presented the Board with the Cash Activity Report. Mr. Taack noted that due to a lack of signatures, the checks for the Director's Fees from the September 9, 2020 Board Meeting were canceled and are being re-issued to include the fees for this Board Meeting. He also mentioned that they transferred \$5,500 from the Compass Operating Account to the Compass Bookkeepers Account to cover the disbursements. This will prevent the need for developer funding until the next Board Meeting. Upon motion by Director Franks and seconded by Director Brandt, the Cash Activity Report and disbursement of funds in accordance therewith was unanimously approved.

13. Ms. Hahn mentioned that a meeting is required in August to hold a Public Hearing on the Tax Rate. The meeting is tentatively scheduled for August 26<sup>th</sup> at 11:00 a.m. She will send an e-mail to the Board of Directors to determine their availability. There being no further business to conduct, Director Franks moved that the meeting be adjourned, which motion was seconded by Director McDowell, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED on August 26, 2021.



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Terry Michael Franks, Assistant Secretary  
Board of Directors  
Highway 71 Municipal Utility District

