

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" or "Board of Directors") of Crosswinds Municipal Utility District (the "District") met in regular session, open to the public, on August 11, 2022 at 5701 West William Cannon Drive, Austin, Texas, an office of the District outside the boundaries of the District, and the roll was called of the members of 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 at the commencement of the meeting, except Director Edwards and Director Dell'Abate. The record shall reflect Director Dell'Abate entered the meeting under item 3 herein. All members participating at the time a vote was taken voted on all matters that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Kimberly Studdard, paralegal, with Winstead PC; Ronnie Moore with Carlson, Brigance & Doering, Inc. ("CB&D"), engineer for the District; Justin Taack with Bott and Douthitt, PLLC ("Bott & Douthitt"), the District's bookkeeping firm; Corey Howell with The GMS Group, L.L.C. ("GMS Group"), the District's financial advisor; and Ronja Keyes with Inframark, LLC ("Inframark"), the District's operations firm.

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 14, 2022 regular meeting, and following a review and motion by Director Weber, seconded by Director Laine and unanimous approval, said Minutes were approved as written.

3. The Board confirmed receipt of the District's 2022 Certified Estimate of Values from the Hays Central Appraisal District, a copy of which is attached hereto as **EXHIBIT "A"**.

4. Corey Howell with GMS Group, the District's financial advisor, was recognized and reviewed a listing of 2022 Tax Rate Setting Points for discussions dated August 11, 2022 which contained Recommendations and a Findings/Analysis with respect to a proposed tax rate recommendation for the District's 2022 tax rate, a copy of which is attached hereto as **EXHIBIT "B"**. He noted that that he was recommending the District maintain its total tax rate for 2022 at

the same rate of \$0.90/\$100 valuation with the 2022 tax rates being split into \$0.34/\$100 for the operations and maintenance tax rate, \$0.31 for utility bond debt service and a \$0.25/\$100 for road bond debt service. He reviewed such recommendation in detail including, but not limited to, the debt service cash flow included in such presentation.

5. Justin Taack presented a proposed Operations Budget for the upcoming fiscal year ending September 30, 2023. The Board reviewed the proposed budget, which included revenue from the recommended tax rate of \$0.34 cents per \$100 of assessed valuation, in detail. It was discussed that there was an increase in the budgeted amount for irrigation services and mowing services and that accounting fees might be slightly higher than in prior years. Mr. Taack noted that despite those few increase, the District is project to run an approximately \$30,000 positive budget variance for the year.

6. The Board was advised of the continuing requirement under Section 49.236, Texas Water Code, as amended and new requirements under SB 2 from the 2019 legislative session, which now require the preparation of a water district tax rate worksheet (as prepared by Assessments of the Southwest, Inc, and included in Mr. Howell's above written tax rate recommendation) and that an updated form of a Water District Notice of Public Hearing on Tax Rate be adopted, published and posted on various websites. The Board reviewed the above-referenced information and confirmed through discussions that the proposed tax rates for maintenance and operations of \$0.34 per \$100 assessed valuation, \$0.31 per \$100 for utility bond debt service and \$0.25 per \$100 for road bond debt service (thus a total proposed tax rate of \$.90 per \$100) seemed reasonable and necessary. Following such discussion, upon motion by Director Dell'Abate, seconded by Director Gideon and unanimously carried, the Board approved the proposed tax rate of \$0.90 per \$100 assessed valuation, set a hearing date of September 15, 2022 and approved the form of Water District Notice of Public Hearing on Tax Rate ("Notice"), attached hereto as **EXHIBIT "C"**, and authorized the publication of said Notice and various required postings of such information pursuant to current law.

7. Mr. Howell then reviewed the MSRB G-23 Disclosure Letter, the Preliminary Official Statement ("POS") and Notice of Sale ("NOS") for the upcoming, proposed sale of \$7,580,000 Unlimited Tax Utility Bonds, Series 2022 ("Series 2022 Utility Bonds") by the District. The Board discussed the timing of the sale. Mr. Howell also noted that approval had been received by the Texas Commission on Environmental Quality for a higher amount but that the District would only be seeking \$7,580,000 of that authorization at such time. Additionally, Mr. Howell noted the projections assume a conservation 4.5% interest rate and that he would likely be seeking an investment grade rating in order to access the lowest possible interest rates. Upon motion by Director Dell'Abate, seconded by Director Gideon and unanimously carried, the Board (i) formally acknowledged receipt of said Disclosures; and (ii) formally authorized the publication of the Official Notice of Sale and the Preliminary Official Statement in connection with the sale of the District's Series 2022 Utility Bonds, as set forth therein.

8. With respect to the authorization by the Board to open any new bank accounts in connection with the Series 2022 Utility Bonds, upon motion by Director Dell'Abate, seconded by Director Gideon and unanimously carried, the Board authorized opening of any necessary bank accounts.

9. There being no developer representative present, the Board moved to the next item on the agenda.

10. With respect to the proposed addition of lands by KB Homes, Mr. Barrett noted that there was nothing for consideration by the Board at such time.

11. The Board then recognized Ronnie Moore with CB&D who referred the Board to CB&D's Engineering Report for the current meeting. The report updated the Board with regard to a contract for Crosswinds Phase 3A with DNT Construction, LLC ("DNT"), which includes 281 lots and will extend Crosswinds Parkway to Go Forth Road, thereby providing two points of ingress and egress as well as a contract for Crosswinds Phase 4A and Crosswinds Phase 6A with DNT, Crosswinds Phase 5A/B, and the status of contracts for the elevated and ground storage tanks. Under said contracts, Mr. Moore noted CB&D was in receipt and had reviewed several pay applications and change orders and that no discrepancies were found. Additionally, it was noted that bid opening for Crosswinds Phase 3B was scheduled for June 30th but due to the current costs of materials and labor, bid opening was cancelled. Upon motion by Director Weber, seconded by Director Dell'Abate, the following recommended pay applications and change orders were unanimously approved:

Crosswinds Phase 3A contract with DNT:
Pay Application No. 13 (\$140,922.00);
Pay Application No. 14 (\$57,437.10);
Pay Application No. 15 (\$78,444.00); and
Pay Application No. 16 (\$70,430.62).

Crosswinds Phase 6A contract with DNT:
Change Order No. 3 (\$36,746.65);
Change Order No. 4 (\$13,339.64);
Pay Application No. 2 (\$248,456.69);
Pay Application No. 3 (\$425,991.42);
Pay Application No. 4 (\$238,689.86); and
Pay Application No. 5 (\$261,912.33).

12. With regard to any additional proposals, agreements or other related items as may be necessary for the Nationwide Permits and cultural resource work being performed as relates to potential pond issues within the District, or 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 of Kyle or other related matters, Mr. Barrett noted there was nothing needed at this time.

13. With nothing to discuss under the Attorney's Report, Mr. Taack then reviewed an Accounting Report dated August 11, 2022, 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 fund transfers, as reflected therein. It was noted that Director Edwards check would be voided in light of her absence at the meeting that same day, and it was noted that annual cybersecurity training certificates received to date were paid out as well. Upon motion by Director Gideon, seconded by Director Laine and unanimously carried, the Board approved the Accounting Report which included the approval of director and vendor payments and fund transfers as set out therein.

14. With regard to an Operations Report for the District, Ms. Keyes noted that pond inspections and a light survey were conducted in July 2022 and that the ponds are in good shape

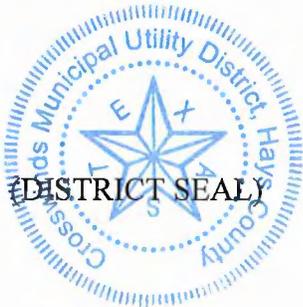
and the lights are in working order. It was noted that Sunscape submitted a proposal for four various tree replacements in the total amount of \$2,964.41 which included both labor and materials. The Board noted they would like to see an additional proposal before authorizing replacement.

15. Ms. Studdard then discussed the District's annual renewal of insurance and bonds, and it was noted that no additional coverages were being added at this time but that due to the increase in values for property and machinery as well as the addition of one additional detention pond, the annual premium would be increasing from \$8,407.00 to \$11,986.00. After a brief discussion and upon motion by Director Weber, seconded by Director Laine, the Board unanimously approved the annual renewal of insurance and bonds.

16. It was then confirmed that an Executive Session was not needed at this time, and the Board tentatively scheduled their next special meeting date of Thursday, September 15, 2022, at 11:00 a.m. at the offices of CB&D.

There being no further business to conduct, Director Lee 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 15th day of September, 2022.



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