

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §  
COUNTY OF HAYS §  
ANTHEM MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board" or the "Board of Directors") of Anthem Municipal Utility District (also sometimes referred to herein as the "District") met in regular session at 805 Las Cimas Parkway, Building 3, Suite 310, Austin, Texas, a designated office of the District outside the boundaries of the District on July 12, 2023, and the roll was called of the members of the Board to-wit:

Brandon Brydson	President
Matt Jacobs	Vice President
Andrew Schreck	Secretary
Tammy Weber	Treasurer/Asst. Secretary
Eric B. Storm	Assistant Secretary

All members of the Board were present at the commencement of the meeting except Director Jacobs. All directors present at the time a vote was taken voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District, Kimberly Studdard, paralegal, of Winstead PC ("Winstead"), bond counsel for the District, Hank Smith with Atwell, LLC ("Atwell"), engineers for the District, Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District, and William Abshire and Cody Abshire of Capital Area Utility Management, LLC ("CAUM"), operations firm for the District. In addition, Crystal Horn with McGrath and Co., PLLC ("McGrath"), the District's auditor, and Clark Wilson and Bradley Wilson representing Kyle 150, LP, a current owner and developer of the land within the District, were in attendance as well.

1. The Board called for public communications and comments, however none being heard, the Board moved on to the next item of business.

2. The Minutes from the Board's June 14, 2023 regular meeting were presented for review and approval. Following a motion by Director Brydson, seconded by Director Weber and unanimously carried, said Minutes were approved as written.

3. Ms. Horn with McGrath then presented an Agreed Upon Procedures Report, attached hereto as **EXHIBIT "A"**, regarding reimbursements to be paid from surplus funds related to the Series 2023 Utility Bonds, and it was noted that approval had been received by the Texas Commission on Environmental Quality ("TCEQ") with regard to same, and after a brief discussion, upon motion by Director Brydson, seconded by Director Weber, the Board unanimously approved the Agreed Upon Procedures Report and disbursement of funds in accordance therewith as well as execution of the related Management Representations Letter received by McGrath.

4. With regard to the District's preliminary values received by the Hays Central Appraisal District ("HCAD"), the Board briefly reviewed and discussed, and upon motion by Director Brydson, seconded by Director Schreck, the Board unanimously approved Ms. Studdard to begin working with District consultants on preparation of the necessary tax rate worksheets and information needed for the proposed Notice of Tax Rate Hearing for adoption at the August meeting.

5. Ms. Studdard explained that certified values are typically received by HCAD around July 25<sup>th</sup> of each year, and as is such, she would be seeking Board approval to request said certified values prior to the next meeting. Upon motion by Director Brydson, seconded by Director Schreck, the Board unanimously approved a formal request to the HCAD for certified values for the District.

6. With regard to a developer's report, Clark Wilson noted home building construction is well underway for multiple phases and there was a question as to whether or not Mr. Wilson's development entity would be expected to pay tap fees for areas being developed by Landsea. It was noted that Landsea should be included on future meeting invites, and with regard to the status of the Easement and Fence Maintenance Agreement by and between the District and the City of Kyle ("City"), Mr. Wilson noted that the City is continuing to work through this.

7. The Board then reviewed Atwell's July 12, 2023 Engineer's Summary for construction and status of the separate construction projects currently underway along with recommendations for related pay applications and change orders, as applicable. By motion of Director Storm, seconded by Director Schreck and unanimously carried, the following recommended pay applications and change orders under the stated construction contract were unanimously approved:

Freedom Phase 1A and 2 contract with CC Carlton;  
Pay Application No. 2 (\$3,281,950.98);  
Change Order No. (\$6,267.88); and  
Change Order No. (\$849,890.25).

The record shall reflect that copies of all approved pay applications and change orders are collectively attached hereto as **EXHIBIT "B"**.

Engineer Concurrence Letters, attached hereto as **EXHIBIT "C"**, were received, and Mr. Smith discussed his recommendation for final acceptance by the District of the following contracts:

Anthem Phase 1C3 contract with CC Carlton;  
Anthem Phase 2&3 contract with CC Carlton; and  
Anthem Phase 4 contract with CC Carlton.

After a thorough discussion, noting all of the aforementioned phases have been accepted by both the City and Hays County, upon motion by Director Storm, seconded by Director Schreck and unanimously approved, the Board approved final acceptance of the projects listed above.

Lastly, Mr. Smith noted a third bond application for the District is complete and will be submitted in the near future, and that a fourth bond application is simultaneously being worked on as well.

8. With regard to the attorney's report, and in light of plans to submit a third bond application to the TCEQ prior to the next meeting, the Board was then presented with an Order Authorizing Application for Approval of Project and Utility Bond Issue by the TCEQ and Requesting Waivers ("Order Authorizing Bond Application"), and Mr. Barrett noted the par amount of the proposed bonds would be \$6,405,000, which pending approval by the TCEQ, would likely be issued by the end of the year. Upon motion by Director Storm, seconded by Director Weber, the Board unanimously approved the Order Authorizing Bond Application.

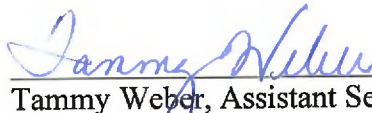
9. The Board moved to the July 12, 2023 Accounting Report, and it was noted that action was needed by the Board related to director and vendor payments as well as fund transfers in the amounts of \$14,809.20 from the District's TexPool Operating Account to the Cadence Bookkeeper's Account, \$1,560.05 from the District's TexPool Operating Account to the District's TexPool Tax Account, and \$3,514.22 from the District's TexPool SR2023 Capital Projects Account to the District's TexPool Operating Account. Additionally, it was noted that invoices were received by Jones-Heroy & Associates and McGrath related to preparation of the bond application and the surplus funds report, and that Director Jacobs check would be voided in light of his absence at the meeting that day. Additionally, it was noted that the District is 100% collected on taxes. Upon motion by Director Weber, seconded by Director Schreck, the Board unanimously approved the Accounting Report and disbursement of funds, transfers and payments in accordance therewith.

10. Mr. Abshire then discussed with the Board an Operations Report dated June 30, 2023, and Mr. Abshire noted they visited the four existing ponds on June 8, 2023 and mowed detention ponds, as scheduled. It was noted that they continue to monitor erosion repair on Pond 1A East as well as installation of a resident pool near that area as well. It was noted there was a resident complaint with regard to possible dumping occurring in ponds, but after a review by the operator, it was determined that a contractor was likely using the water for concrete mix. Upon motion by Director Brydson, seconded by Director Storm, the Operations Report was unanimously approved.

11. There being no action with regard to the landscape maintenance agreement, the Board confirmed their next regular meeting date as August 9, 2023, and there being no further business to conduct, Director Brydson 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 9<sup>th</sup> day of August, 2023.



  
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Tammy Weber, Assistant Secretary  
Board of Directors  
Anthem Municipal Utility District